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13 March 1984

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BRIEFS

LEGISLATION TO PROSECUTE ASIS AGENTS--Legislation to be used in prosecuting federal secret agents involved in a bungled practice raid on a Melbourne hotel last November has been introduced into the Victorian Parliament. The bill is to give the state's court power to suppress information in the interest of national or international security. The prime minister, Mr Hawke, has told Federal Parliament that because of the confidentiality legislation, the government has withdrawn its previous objection to giving Victoria the agents' names. November's abortive practice raid by agents of the Australian Security Intelligence Service, ASIS, ended with their arrest by Victorian police. A report on the raid by Mr Justice Hope said the exercise was poorly planned, prepared, and coordinated. The future exercises is recommended bans on the carrying of firearms and (?of) any activity which might harm or alarm members of the public and said exercises should be cleared with police, local military district, and properly owners [sentence as heard]. Mr Hawke said yesterday that ASIS would be getting a new chief. His first task would be to consider disciplinary action against those involved in the hotel raid. [Text] [BK010356 Melbourne Overseas Service in English 0130 GMT 1 Mar 84]

NEW DEFENSE STAFF CHIEF--A new chief of defense force staff has been appointed to succeed Air Chief Marshal Sir Neville McBamara. He is Lieutenant General Sir Phillip Bennett, currently head of the army, who will be promoted to the rank of full general. He will take up the nation's top military post on 13 April. The minister for defense, Mr Scholes, said Sir Neville had led the Australian defense force through 2 difficult years. He said the country was lucky to have as able a man as Sir Phillip Bennett to succeed him. [Text] [BK230829 Melbourne Overseas Service in English 0430 GMT 22 Feb 84]

WHEAT EXPORTS TO YAR--The Yemen Arab Republic [YAR], formerly North Yemen, has purchased a further 100,000 metric tons of Australian wheat. The latest purchase will take its total import of Australian wheat this year to 200,000 metric tons. Until early last year, the YAR was buying only Australian wheat, but then the United States gained entry to the market by the use of subsidized credit. The acting general manager of the Australian Wheat Board, Mr (Murph Connell), said today that this latest sale confirmed the board's confidence that this year Australia would again be the major supplier of wheat to the YAR. The wheat is to be shipped from South Australia and Western Australia over the next 3 months. [Text] [BK020609 Melbourne Overseas Service in English 0830 GMT 29 Feb 84]

ASIAN HUMAN RIGHTS COUNCIL ISSUES DECLARATION

Basic Principles Discussed

Jakarta KOMPAS in Indonesian 10 Dec 83 pp 1, 12

[Text] Jakarta, KOMPAS--The first general session of the Asian Human Rights Council, held from 7 to 9 December in Jakarta, issued an 11-article ASEAN [Association of Southeast Asian Nations] Government and People's Basic Responsibilities Declaration.

The council urged all governments and their people in the ASEAN region to include these basic responsibilities in their state constitution and laws. To assist them to do this, the council forwarded six copies of the declaration to the ASEAN secretary general requesting that they be distributed to member nations.

Those who signed the declaration were Adnan Buyung Nasution, Yap Thiam Hien, T. Mulya Lubis, Arief Budiman, Dawam Rahardjo (from Indonesia), Abdul Razak Ahmad (from Malaysia), Jose W. Diokno, Samuel Occena and Abelardo L. Aportadera, Jr (from the Philippines), Thongbai Thongpao, Viboon Engkagul, Pichet Maolanond, Vicoon Khunphonglikit, and Somyos Chamchoy (from Thailand).

Three Basic Principles

The published declaration, which was given to an intermediary by Jose W. Diokno, the secretary general of the council who was accompanied by Buyung, the council chairman, stated that past experience showed that certain basic principles had to be reaffirmed.

The first of these principles is that human rights are not merely something to be aspired to but are inalienable rights of all individuals and peoples for their well-being and their dignity as human beings. All individuals, peoples, and governments are obligated to respect this principle.

The concept of human rights is by nature general and dynamic. It is not only a concept that applies to certain individuals or regions of the world. It is an affirmation of broad human and social needs, and it includes a profound admission of the dignity of all human beings--men, women and children.

Second, each individual as well as peoples has the right to determine his own development. At present, the primary target of development is the elimination of poverty as well as the improvement of the quality of life in all spheres. Consequently, true development cannot be achieved without respect for individual as well as group human rights.

Third, human rights are violated not only by the illegal actions taken by individuals but also by countries and international structures that act illegally. Practicing human rights not only means fighting against injustice where ever it occurs but also means trying to change not only the structures that permit the repression of man by man or people by people but also to change their behavior. One of these unjust structures is an authoritarian government that opposes the rights of its people to take part in deciding on their own future and that of their children and grandchildren.

Council Fears

The council noted that some progress had been made in the ASEAN region in upholding human rights. For example, it was disclosed that in Malaysia, the Philippines and Thailand the press was attempting to demonstrate more freedom and balance in its news reports as well as in the way it presented its views. Also the people of the Philippines seem to have more freedom to gather together and to make protests.

However, it was also brought out that respect for human rights resulted from government tolerance that derived from pressure by another government, world opinion, or the activities of people's organizations and was not a true acknowledgement of the need to respect human rights on the part of the authorities concerned.

No serious progress has been made, the declaration continued, because shocking incidents still occur, as for instance, executions without due process of persons alleged to have committed crimes in Indonesia, the assassination of opposition leader Benigno S. Aquino in the Philippines, continuous harassment of the sole opposition member of the Singapore parliament, and the assassination of several newsmen in Thailand.

The Asian Human Rights Council fears that the limited progress made in human rights may be erased in the near future because, as the declaration states, economic problems faced by governments in this region could commit them to even harsher repressive measures.

F-KP Survey

Meanwhile, yesterday [9 December] in the Parliament Building in Sonayan, the Functional Development Faction [F-KP] revealed its survey on the maintenance of human rights in Indonesia. Albert Hasibuan, SH [doctor of jurisprudence], who in everyday life is the vice chairman of Commission III (law and justice), said this evaluation was disclosed to greet the 35th Human Rights Day which falls on 10 December.

Human rights in Indonesia, he said, have not developed as well as had been anticipated. Violations of human rights by members of society as well as by certain leading figures still occur here, and many cases arise in which individuals or groups play judge and executioner, in particular in reacting spontaneously to the commission of a crime. One also hears of harsh measures being taken illegally to combat crime rather than properly using due process.

Complaints are often heard of unjust and harsh measures taken in prisons or during interrogations. In addition complaints are heard of summons being issued and arrests being made without regard to the regulations in force.

Although he is aware that criminals violate the law and, moreover, deny individuals their human rights, Albert Hasibuan reminded his listeners that those who uphold the law should not use this fact to justify taking revenge. Therefore, in struggling harder to develop a Pancasila society, the only way to settle social problems is to obey the law and offer the protection of human rights to those who might need it.

Not Liberal

As for the concept of human rights itself, Albert Hasibuan said it is not a liberal one but is a concept that has been adapted to the personal norms of human beings based on the right to brotherhood, to meet, and to mutual assistance.

Most important, Albert Hasibuan said, other than that human rights have been carried out well in Indonesia, is the functioning of the control element. Here the criterion for control focusses not only on how efficiently order has been maintained but also on how well human rights have been respected, "so that the development process as carried out by the government along with members of society can be given more support in shaping man into what he ideally should be."

Hasibuan pointed out that in PELITA IV [Fourth 5-Year Economic Development Plan] human rights must be reflected more in all aspects of the state. They must be carried out more equitably in politics. Politics must be directed more toward the people's interests. The people's political aspirations must be formulated in political measures that are fair.

In this way, Albert Hasibuan said, the focus will really be on the people, and politics will merely try to respond to problems that the people are wrestling with. "Included here are efforts to raise the people's political consciousness," he said.

Press Release of the LBH

A press release issued by the Indonesian Legal Aid Institute, signed by its chairman, T. Mulya Lubis, threw light on the poor way human rights are being implemented.

The press release stated that the rights to work and to lead a respectable life

were still not being implemented satisfactorily in Indonesia. For the period 1983-84, the release stated, the labor force will total 62 million, of whom 12 percent will be unemployed. Moreover, according to an ILO estimate, hidden unemployment in Indonesia approaches one-third of the total labor force.

In 1981-82, only one out of eight persons could afford to attend junior high school.

Comments of Religious Leaders, Minister

Jakarta KOMPAS in Indonesian 12 Dec 83 pp 1,9

[Text] Jakarta, KOMPAS--One can understand why the Asian Human Rights Council has urged that its Declaration of Government and People's Basic Responsibilities be included in the constitutions of every ASEAN nation. Yet, applying such pressure, especially to Indonesia, is unrealistic and irrelevant because the Indonesian people's Pancasila is a formal statement of everything they desire in this regard.

Dr TB Simatupang, former chairman of the DCI [Indonesian Council of Churches], offered this opinion when asked to comment on Saturday [10 December]. He explained that every pillar of Pancasila makes it obligatory for the Indonesian nation, both its people and its government, to have great respect for human rights. "Isn't it the first principle of the religion of the one and only God, [Islam] that the fifth pillar--social justice--be included as an element of human rights?" he asked.

It remains to be seen, Dr Simatupang said, how the declaration of the Asian Human Rights Council will be judged against the Pancasila criterion. "That will be the struggle," he added. He also reminded his listeners that development is nothing more than the implementation of Pancasila as the government has proclaimed. Therefore, it is relevant to examine the question of human rights, using Pancasila as the criterion.

No Conflict for MUI

Meanwhile, K.H. [venerated scholar] Hasan Basri, first chairman of the Indonesian Ulema Council [MUI] felt the declaration to be a very positive attempt to uphold human rights which must be supported. He linked the declaration to Islam and found no conflict whatsoever between the declaration and Islam. One could say that under Islam human rights are a matter of permitting all classes of society to be treated and served in the same way.

Further, Hasan Basir admitted that the concept of human rights is not being fully implemented in Indonesia. This is true here and also true for other Islamic nations.

As is evident in social intercourse, some persons still judge others by their social standing, while in the broader social context, social, economic, political, cultural and educational biases are still found.

In view of these social realities, stronger efforts must be made to uphold human rights. "In Islam such efforts are made through the media of indoctrination and religious education except that such efforts must be increased. The support of a government policy is greatly needed for these efforts. "Without the support of the government, no real effort will be made to uphold human rights," Hasan Basir affirmed.

Asked whether MUI is doing anything concrete to uphold human rights, Hasan Basri said no special program had been instituted for this purpose, but efforts have been made to heighten understanding of human rights and to uphold them in society through the media of indoctrination--through religious lectures and sermons in the mosques--and in Islamic religious education institutions.

Mukadimah UUD 45

Regarding the three basic principles of human rights issued by the Asian Human Rights Council, Emil Salim, minister of state for KLH [population and environment] on Saturday said he had not yet read the entire declaration, but he felt it would be best if one referred to the Mukadimah [preface] to the 1945 Constitution on matters pertaining to rights and responsibilities. "Our position on the development of human beings and the Indonesian people has been set out in detail in the Preface," he said.

The Mukadimah and the 1945 Constitution should be our guide because all the Indonesian people have agreed to what has been included there. "This would insure that we are objective and that this document can become the criterion for judging other views," he added.

Editorial Comment

Surabaya SURABAYA POST in Indonesian 12 Dec 83 p6

[Text] On World Human Rights Day commemorated yesterday, 10 December, the Asian Human Rights Council and the Indonesian Legal Aid Institute issued a statement, the heart of which invited our attention to the implementation of human rights which still is cause for concern despite some progress made in the ASEAN area.

It would be good if from time to time we thought about human rights. As the declaration says, in addition to striving to create the most ideal and worthy human beings, we must also continually fight, moreover eternally fight, for all our ideals since we clearly live in a world full of inequities and bitterness.

We believe it is clear that we all, the government and the people, are morally bound by the principle of human rights. Also, we, each in his own way, are trying to apply them to the extent possible, of course, in the present situation and under present conditions.

The national development in which we all are now actively participating clearly is being carried out in the context of human rights. In this development, for

instance, we would like to put into practice the right to a respectable life and the right to work as well as the right to an education for all. Without development, it is absolutely certain that these attractive rights would become nothing more than mere words. We know how difficult it is to carry out development, how many obstacles there are to its implementation, and how many things are lacking. This, of course, only means that the same things are lacking for the implementation of human rights.

Being aware of these things and to forestall unnecessary disappointments and frustrations, we must fight harder for our human rights with our feet firmly planted on the ground. We must also be more unified and more understanding of our respective tasks and problems, building each other up and avoiding casting suspicion on and criticizing each other, which, of course is the easiest thing to do and impinges on someone's rights.

Comments of Educators

Surabaya SURABAYA POST in Indonesian 10 Dec 83 p2

[Text] Surabaya--Progress has been made on human rights [HAM] in Indonesia, but it is sometimes difficult to see where it has been made because it is not readily visible. In trying to find out where progress has been made, we should not blame those in authority. We are merely obligated to make certain that human rights are being honored, possibly by way of offering constructive criticism and alternatives for action.

This was the opinion of Abdul Gani, SH [doctor of jurisprudence], MS [master of science], professor of constitutional law at Airlangga University in Surabaya, who granted us a special interview on human rights which are being commemorated today. Meanwhile, Drs Hotman Siahaan, docent in the university's FISIP [Social and Political Sciences Faculty] judged that there was some concern about the way human rights were being handled in Indonesia. They were being handled with cruelties, murder, corruption, and crime. To prevent violations of HAM, it is not enough that appeals be made to the public to be aware of such violations. Courage must be generated to enable the public to use their rights and responsibilities.

Sukarsono, chairman of the East Java BP-7 [Agency for the Management of Training in the Implementation of Pancasila Practice and Implementation Guidelines], explained that rights and responsibilities must operate together.

Pressure Exerted

A. Gani, the former Airlangga University rector, said although there is still concern about human rights, he saw that the New Order government was exerting pressure toward their implementation. He judged that the implementation of HAM would "takeoff" in the next generation. He did not agree with the impression that HAM were being disregarded in Indonesia. If HAM were not upheld here, we would be living under a dictatorship, and the press, in particular, would not be able to publish a critical interview with an intellectual, he clarified.

Courageous political parties are also able to reveal ideas that sometimes conflict with those of the government. Meanwhile, the government allows room for them to be heard. Yet in implementing human right, we should not neglect our national interests. The Western concept of HAM is still foreign to us in the East.

Although Indonesia had no full-fledged concept of HAM earlier, it had undertaken the implementation of HAM as specified in the UN Convention introduced on 10 December 1948. The 1945 Constitution, which also guarantees human rights, was promulgated in 1945. So our HAM now progress according to the ideas of our leadership on how our nation should progress. To meet human rights requirements, we must be diligent, honest, and just, using as our highest standards the 1945 Constitution and Pancasila, Gani recommended.

He admitted that in the present era of development, violations of human rights had occurred to some extent. This problem is not a monopoly of developing nations. He compared the earlier implementaion of HAM with that at present. Now there was progress, but at the same time, there was not much progress.

If he were ordered to choose between development and the implementation of human rights, he would choose development. Yet, in carrying out development, those in authority must not abandon human rights. Politically HAM are desirable as proved by the establishment of the KUHAP [Human Rights Code] and some time later by the State Administration of Justice Law.

We sometimes now must sacrifice HAM for the sake of national interests.

If unlimited freedom of ideas was permitted, we might generate conflicts, for instance, the voicing of ideas that impinge on the rights of other groups. So, in my view, the implementation of HAM now depends on the situation, he added. Also to preserve our own culture he said, we must guard against holding beauty queen pageants and auto rallies so that our culture is not undermined by a foreign culture.

The government, which must begin to honor and implement HAM, must be flexible, must remain critical but must accommodate conflicting ideas. We cannot just prattle to the people about upholding the law. "Talk must be preceded by action on the part of all government apparatus--the police, judges, prosecutors, political parties and representative executive bodies." In Gani's view, everyone wants this. "Of course, there still is no satisfactory progress in this direction. However, if they just started to work in this direction and became hampered, they would be given credit for trying," he remarked.

Poverty

Meanwhile Drs Hotman Siahaan "viewed the most basic of all human rights to be implemented in Indonesia was the right to a respectable life. If we allow the greater part of our society to live in poverty, this is a violation of a basic HAM, he explained.

Moreover, our poverty is created by our restraint in doing anything about a resource which is really part of us all. We not only avoid doing anything about this in rural areas but also avoid doing anything about it in urban areas. Most of our people live below the absolute poverty line with an annual per capita income of 180 kilograms of rice.

We now see individuals who get rich overnight while others are getting poorer. Those who get rich overnight, in terms of what they really earn, actually cannot properly enjoy their sudden wealth. The people who see this elite way of living are carried away by it, especially those individuals who have no skills. Ultimately they try to find ways to become rich overnight. Well, this is the way forceful means of attaining such wealth emerge. These people take short cuts to attain it--using bloody means, force in holding people up, corruption. They benefit from these short cuts but destroy other persons. This is a violation of human rights also, Hotman added.

Being conscious of this, we must have a preventive mechanism to lessen its negative impact. It should take the form of close, strong, legal, just and indiscriminate supervision of all who commit these violations. Aside from those in the government who execute the laws, the public must also be trained to respect HAM.

Dr Siahaan stressed that the authorities may interfere in the implementation of HAM but they must do so consistent with the national consensus on the 1945 Constitution and Pancasila. Their interference, Hotman said not only must consist of encouraging the public to respect HAM. The government is also responsible for equitable distributing economic, social and cultural resources and social security. Of these, the most basic are economic resources. Here the distribution of resources must be just, and the daily sustenance of each person along with that of his family must be guaranteed.

In this the press and intellectuals play a very great role, considering that the HAM process now is at the critical point. Of course, development requires sacrifices, but the impact of those sacrifices now is too costly considering that development actually is humanizing human beings. However, people are being demoralized as human beings are being humanized.

Balance Needed

Soekarsono, East Java BP-7 chairman, reminded his listeners that in the present development period there must be a balance between rights and responsibilities. We would like Pancasila to be the point of departure for HAM because the UN Convention was introduced only in 1948 while agreement was reached on the Constitution and Pancasila 3 years earlier. "We cannot compare Pancasila principles with other principles," he explained. He reminded us that our principles are integrative, not contradictory.

Soekarsono asked us not to question him on the way HAM were being implemented in Indonesia now. "You know I am limited in what I can say about this because you know BP-7 is an agency that implements the president's guidelines on how

P4 [practice and implementation of Pancasila principles] is to work in society, not to judge it," he replied. Pancasila includes responsibilities as well as rights.

The implementation of HAM depends on the atmosphere in which relations exist. For instance, we might speak of the labor problem, but if no supportive atmosphere exists, how can we offer labor the right to work, added the former sociopolitical assistant in the East Java governor's office.

As far as rights and responsibilities are concerned in present development efforts, Soekarsono answered, "It is our responsibility to synchronize rights and responsibilities. The emphasis placed on either rights or responsibilities could be changed in any kind of development.

He added that in regard to HAM, he would like to talk about Pancasila. He judged that the second adjective in the phrase, "just and abiding humanitarianism" had already been attained theoretically.

If a person has learned how to put himself in another person's shoes, wouldn't he already have acknowledged that the other person has rights, he asked.

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CSO: 4213/166

VISIT OF SAUDI DEFENSE MINISTER, RELATIONS DISCUSSED

Benefits Cited

Jakarta HARIAN UMUM AB in Indonesian 9 Dec 83 pp 1, 7

[Text] Jakarta (AB)--Indonesia and Saudi Arabia are bound by historical and traditional relations. Essentially these are spiritual relations that have always been marked by the ukhuwah [fellowship] of Muslims. This religious basis sustains the mutual desires of the two countries to develop and strengthen their relations. These relations have been strengthened further through the reciprocal visits paid by the leaderships of these two countries. Through such visits, relations between Indonesia and Saudi Arabia will move toward a new horizon of cooperation in various fields.

In a press meeting held yesterday [8 December] in his office, Mohammad Said Basrawi, Saudi Arabia's ambassador, made these statements in connection with the visit to Indonesia of Prince Sultan bin Abd al-Aziz Al Saud, second deputy prime minister, minister of defense and aviation and concurrent inspector general of the Saudi Arabian Armed Forces, from 11 to 16 December at the invitation of General Poniman, Indonesia's defense minister.

According to Ambassador Basrawi, the visit of the defense minister to Indonesia is being made solely within the context of mutual discussion and coordination with all Islamic nations friendly to Saudi Arabia.

Quoting the Saudi Arabian defense minister's response to a question, the ambassador said the visit of the prince would strengthen military cooperation in the framework of the good relations existing between Saudi Arabia and Indonesia, a nation in which the people hold firmly to the Islamic aqidah [faith] and syari'at [law]. Various questions and military matters will be discussed during the visit of the Saudi defense minister, in particular those matters that concern Islamic syari'at, since this is the foundation of all relations between Islamic nations and people.

The visit of the Saudi Arabian prince will heighten the close ties and relations that exist between the two nations.

Assistance

In reply to a question, Ambassador Basrawi clarified that economic cooperation between Indonesia and Saudi Arabia has been good and smooth to date. Saudi Arabia had offered \$171 million in financial assistance to Indonesia, respectively, \$70 million for PUSRI [Sriwijaya fertilizer company] in 1976, \$50 million in 1977 for the Surabaya-Malang highway and \$51 million in 1982-83 for the Padalarang-Cileunyi (West Java) road project. In addition, Saudi Arabia had extended humanitarian assistance of \$1 million to Indonesia after the Gunung Galunggung disaster.

Asked about assistance to Islamic institutions and organizations in Indonesia, Ambassador Basrawi explained that Saudi Arabia had offered them \$20 million. This was done with the knowledge of the Indonesian Government, in this case, the Department of Religion.

Responding to another question on trade between Indonesia and Saudi Arabia, Ambassador Basrawi said Saudi Arabia imports Indonesian labor and various commodities.

"Saudi Arabia will increase its demands for Indonesian labor by 100 percent and its imports by 60 percent," Basrawi said.

Saudi Arabia also imports a great deal of fruit from Indonesia. Moreover, a Saudi entrepreneur is now negotiating to import aloeswood from Indonesia because this wood is much desired in Saudi Arabia.

Ambassador Basrawi affirmed that his office is always open for any Indonesian entrepreneur who would like to increase trade with Saudi Arabia.

Jeddah Meeting

A meeting of the Indonesia--Saudi Arabia Economic Cooperation Commission will be held in Jeddah on 15 January in the context of stimulating economic and trade relations between Indonesia and Saudi Arabia. This will be the second meeting of the commission and is a continuation of the meeting held last year.

Ambassador Basrawi said the meeting of the commission will lay the foundation for future cooperation between the two countries. The Jeddah meeting, to be held at the deputy ministerial level, will also be attended by members of the Indonesian Chamber of Commerce and Industry.

Ambassador Basrawi explained that one could say that no problems whatsoever were encountered during the commission meeting held last year in Jakarta, and everything moved smoothly because there were no differences.

The Saudi Arabian ambassador, who laughs readily, mentioned the close cooperation that existed between Indonesia and Saudi Arabia in the cultural field. In this respect, the ambassador had started an Arabic language course in Jakarta that attracted many students. In the context of increasing cooperation in the cultural field, Baswari said a meeting of the joint cultural

committee would be held in Jakarta on 10 January. The meeting clearly will expand the cooperative cultural horizon that exists between Indonesia and Saudi Arabia because everything will be done to improve it. "Like, for instance, the exchange of docents, students, the offer of more scholarships, curricula, and even teachers," Ambassador Basrawi said.

Relations Strengthened

Jakarta MERDEKA in Indonesian 10 Dec 83 pp 1, 11

[Text] Jakarta, Friday [9 December]--The visit of Prince Sultan bin Abd al-Aziz Al Saud, second deputy prime minister, defense and aviation minister and concurrent inspector general of the Kingdom of Saudi Arabia Armed Forces, beginning Monday [12 December] is judged by Ismail Hasan Metareum SA [state prosecutor], chairman of the DPR's [parliament] Commission I (defense and security and foreign affairs), to be very significant for improved relations between these two friendly nations.

The visit to be paid by the third highest official in the Kingdom of Saudi Arabia hierarchy will continue for 6 days at the invitation of the Indonesian defense and security minister.

In his explanation in Jakarta on Friday, Ismail Hasan Metareum said the visit of the prince clearly will have a very positive affect on better relations and cooperation between Indonesia and Saudi Arabia in various fields in the future.

The visit shows how much attention the Kingdom of Saudi Arabia under the leadership of King Fahd has paid to Indonesia under the leadership of President Suharto.

At the same time, it shows the great interest that friendly nation has in cooperating with Indonesia in the development of various fields, including the military field, Metareum said.

Important Signal

In this connection, H.M. Amin Iskandar, member of the same commission, said the visit to Indonesia of the third highest official in the Kingdom of Saudi Arabia is an important signal because in the past, relations between Indonesia and Islamic nations, especially Middle East nations, were disproportionate to their mutual interests, although both Indonesia and Saudi Arabia have searched for very broad opportunities to strengthen friendship and cooperation in their respective national developments.

Amin Iskandar, a former Indonesian ambassador to Iraq, said the prince's visit is a sign that the Kingdom of Saudi Arabia and Indonesia are beginning to benefit more intensively from this earlier search.

Military cooperation, especially in the development of a military equipment industry, offers considerable hope. Trade relations between these two nations could be further increased while one of the parties could assist with capital for national development.

EAST JAVA GOLKAR CONFERENCE OPENS

GOLKAR Determined to Win

Surabaya SURABAYA POST in Indonesian 22 Dec 83 p 2

[Text] Soekardi, chairman of the GOLKAR [Functional Groups Party] DPP [Central Executive Council], affirmed that GOLKAR was determined to win the 1987 general elections in order to continue the development process and to aim for a just and prosperous society.

Success in the 1987 general elections will not mean that GOLKAR wants to be in power and hold the reins of government forever. GOLKAR's aim is rather to continue the process of development, whose effects can already be seen. Whether acknowledged or not, society is already feeling many of the results of development.

Soekardi made this statement Wednesday evening [21 December] at the opening of the Third Regional Meetings (MUSDA) of the East Java branch of GOLKAR in Pandaan.

To support this third mission of GOLKAR's three goals there is a new section in the DPP called "the election victory department." GOLKAR is tackling the general elections early because it wants to avoid the excesses which took place during the 1982 general elections.

GOLKAR does not need a campaign which will lead to socially damaging excesses. "I am convinced that my colleagues in the PARPOL [Political Parties] also do not want such excesses," said Soekardi, who is representing the general chairman, Soedharmono.

Three Goals

GOLKAR has three goals in the 1983-1988 period of service: success in consolidation, success in PELITA IV [Fourth Five-Year Plan] and success in the 1987 general elections.

GOLKAR must pay attention to success in the consolidation of ideals, because not only has PANCASILA [Five Principles of the Nation] been determined to be the sole guiding principle, but in addition, PANCASILA is the basis of GOLKAR's ideals. So, he said, there must a consolidation so that this basis is unwavering.

We must be pioneers and show society and the PARPOL that GOLKAR is asking them to have a real national vision, and not the narrow vision of their class or for their group, he said.

All of GOLKAR's rank and file members must be willing to ask society to make PELITA IV a success. Success in development can only be achieved if everybody really participates and if the organizers of that development are themselves enthusiastic. He asked GOLKAR to help the government stamp out corruption in the framework of creating clean and authoritative government.

Available

Last night Governor Wahono officially opened GOLKAR's East Java MUSDA III. It will go on until the day after tomorrow, 24 December. Three hundred people are attending, 265 participants and 35 observers sent by the subdistrict commissioner of each county.

The main subjects for discussion in this MUSDA include reports from the DPD [Regional Executive Board] and from GOLKAR's advisory board covering the period from 1979 to 1983, the nomination of the advisory board's chairman, and the election of GOLKAR's East Java DPD director for 1983-1988.

Soekardi asked that the election of the DPD director stress leadership ability, capability and availability.

"GOLKAR's DPP wants to see the younger generation in the GOLKAR East Java DPD directorate. I know that the impetus behind GOLKAR in East Java is the younger generation. The 1945 generation would be proud not to be in charge in the future because leadership is not inherited in our organization. Even in the central office there are those who used to be vice-chairmen and are now vice-secretary generals and those who used to be vice-secretary general who are now department heads," he said.

Moch. Said Reelected

Surabaya SURABAYA POST in Indonesian 24 Dec 83 pp 1,2

[Text] The GOLKAR East Java DPD [Regional Executive Council] managing board for 1983-1988 was announced in Pandaan [East Java] on Saturday morning [23 December] at the end of the Regional Meetings which have been taking place since 21 December. H. Moch. Said, Mrs Asri Soebarijati and H. Hudan Dardiri were elected chairman and vice-chairmen.

Chairman of the GOLKAR DPP [Central Executive Council] Soekardi asked the new directors to pay close attention to cadre formation. Governor Wahono hoped that the mandate and the responsibility which the masses have given to GOLKAR's DPD will be used in the best possible way to ensure our national viability.

The closing ceremonies also included an address by Marsoesi, Drs, chairman of the East Java PDI [Indonesian Development Party] regional executive council, who described the political climate in East Java as harmonious, especially since

PANCASILA [Five Principles of the Nation] is a guarantee of concord among all of the community's social forces.

Tense

Although the atmosphere in the audience was tense just before the structure of the GOLKAR DPD leadership was announced by the chairman of the selection team, Soekardi, because they had not been able to find out who the new directors were to be, the audience immediately broke into applause when Soekardi said that he was about to announce the name of the East Java DPD chairman.

"I do not have to say who it is because you have already guessed." The applause grew louder when Mochamed Said was declared DPD chairman.

In the general session, H. Mochamed Said, who has been GOLKAR's East Java leader for 5 years and was nominated by the entire Level II [Regional] DPD, also received the blessing of Wahono, chairman-elect of the GOLKAR East Java Advisory Council, and of GOLKAR's DPP.

The structure of the new directorate reflects a merger of thinkers and doers. Mrs Asri Soebarijati, SH [Master of Laws], is well known as a hard-working and active member of GOLKAR, while H. Hudan Dardiri, former mayor of Pasuruan and Jombang county chairman, will interpret GOLKAR's East Java policies to other directors and to the outside world.

"Mrs Asri and Mr Hudan's character and attitudes will complement Mr Said's enthusiasm," commented Stanny Soebakir, chairman of the DPRD [Regional Parliament] KMS [Local Military Command]."

Soekardi said that this trio of top leaders of GOLKAR's East Java DPD represent an effort to pay attention to three groups in GOLKAR. H. Moh. Said is from the ABRI [Republic of Indonesia Armed Forces] veterans group; Mrs Asri is from GOLKAR's cadres and H. Hudan Dardiri is from KORPRI [Republic of Indonesia Civil Servants Corps], ABRI [as published].

The Secretary will be Soentoro Hoediasmoro, 43 years old, former subdistrict head in Nganjuk, then assistant county leader, then elected chairman, in the 1979 MUSDA [Regional Meetings], of the Nganjuk DPD of GOLKAR. He is now head of SUBDIT II [Subdirectorate] of the East Java Provincial Social and Political Directorate.

The vice-chairmen will be Ali Warono, Drs, and Mochamed, BA; they have been GOLKAR cadres since 1972. Ali Warono, who graduated from Airlangga University with a degree in pharmacy, began his activities as the secretary general of the Brawijaya Younger Generation and eventually became vice-secretary of the GOLKAR DPD from 1978 to 1983. Mohammad, BA, has been active in GOLKAR in Magetan and became vice-secretary of the Work Faction in the East Java DPRD.

Treasurer Imam Santosa, BA, was formerly vice-treasurer of the East Java GOLKAR DPD; and Arief Santoso, who has been designated as Imam's assistant for this period of time is a member of the East Java DPRD and former district attorney in the East Java attorney general's office.

The complete lineup for the East Java GOLKAR DPD is: Chairman: H. Moch. Said. Vice-chairmen: Mrs Asri Soebarijati Soenardi, SH, and H. Ahmad Hudan Dardiri. Secretary: Soentoro Hoediasmoro. Vice-Secretary: Ali Warno, Drs, and Mochamad, BA. Treasurer: Imam Santoso, BA. Vice-Treasurer: Arief Santoso, SH.

Bureau Chiefs

Election Bureau: Indra Prayitno and Sumaryono Hadikusumo, Drs.
Organization, Membership and Cadre Formation: Anton Priyatno, SH, and Hadriatno, S.H.
Education and Courses: Djoko Sumadio, SH, and Subaka, Drs.
Information, Publication and Mass Media: Soenjoto, BA and Mochamad Binsyech.
Youth: H. Moh. Rofiq Kusumodilog, Drs, and Sukarno, SH.

9846
CSO: 4213/129

MEMBERS OF PARLIAMENT ON ACCEPTANCE OF PANCASILA AS SINGLE PRINCIPLE

Jakarta KOMPAS in Indonesian 15 Dec 83 pp 1, 9

[Article: "The Single Principle Must be Accepted"]

[Text] It is not enough just to incorporate acceptance of Pancasila as the single principle into the basic law. More than this is required. Each member of every political or social organization which accepts Pancasila as the single principle must be prepared to apply and protect it.

This statement was issued during a press conference at the parliament yesterday afternoon by R. Soekardi, chairman of the Development Workers Faction (F-KP). Members of parliament were assembled for the 1983 closing ceremony and the final meeting of the second parliamentary session.

Soekardi stated that although Pancasila has already been declared as the single principle for political and social organizations, this will not force acceptance of the national agreement.

Five Draft Laws

David Napitupulu, deputy chairman/coordinator for political affairs of the Development Workers Faction (F-KP) was also in attendance. He said that the government is preparing five draft laws which will further guide the realization of Pancasila as the single principle.

The five government proposals include an amendment to Law 15 of 1969 on the general election. This law was previously modified by Law 4 of 1975 and by Law 2 of 1980. Another government proposal would further modify Law 16 of 1969 on the organization and position of members of congress, parliament and the regional parliaments. Law 16 of 1969 was previously amended by Law 5 of 1975. The remaining three proposals deal with Law 3 of 1975 regarding political parties and GOLKAR [Functional Group], a law on public organizations and one on referendums. "The Development Workers Faction (F-KP) has already decided to support these five proposals!" declared David Napitupulu.

According to Soekardi, since all the social and political forces have accepted Pancasila as the single principle, the contestants in the upcoming 1987 general elections can only debate the programs. The public will judge which program best suits their personal political needs.

INDONESIA

OPIC PRESIDENT CALLS RED TAPE OBSTACLE TO FOREIGN INVESTMENT

Jakarta KOMPAS in Indonesian 15 Dec 83 pp 1, 12

[Article: "Complicated Bureaucracy Obstructs Investment"]

[Text] Complicated government bureaucracy is one of the major obstacles to investment in Indonesia. Indonesia must continue to work on a solution to this problem if it wants to attract capital investment by American businessmen.

Craig A. Nalen, president of the Overseas Private Investment Corporation (OPIC), made this statement to KOMPAS last week at the Mandarin Hotel in Jakarta.

Nalen was leading a mission of 23 American businessmen representing 22 firms who have been in Indonesia this past week to study investment opportunities. During this visit they spoke with Prof Dr J. B. Sumarlin, the Minister of State for Development Planning, Engr Suhartoyo, chairman of the Capital Investment Coordination Agency (BKPM), and a number of Indonesian businessmen.

"We are aware that the Indonesian government is striving to improve its bureaucracy. At the leadership level all is in order, but when one gets to the implementing executive level the problem of bureaucracy arises," Nalen said.

Indonesia must continue its efforts to achieve a solution since Indonesia is not the only country trying to attract foreign capital. Other developing countries are easing restrictions and providing incentives in order to attract American, Japanese, West European, and other foreign businessmen.

"Indonesia should not let itself be beaten," he said. He added that Indonesia already has a very useful and important advantage - political stability. Indonesia's political stability is striking in comparison with other Pacific nations.

Political conditions, under president Suharto's administration which is attuned to U.S. politics, are very attractive to American businessmen. It was quite different under president Sukarno.

Other advantages include natural resources, an attractive environment, a strong domestic market with a population of 150 million, and the Indonesian labor force.

But Indonesia has only a small educated labor force. Is this also attractive? He replied that the problem of education is not difficult to solve. What is important is that the Indonesian work force can readily accept technological transition. It is not difficult to teach Indonesian workers. They learn new technology very quickly.

U.S. investment in Indonesia ranks 4th - 12.12 JPRS Hnadbook after Japan, Hong Kong, and Canada. From 1967 to October 1983, \$664.4 million in U.S. capital has been invested in 73 projects. The investment mission hopes to increase U.S. investment which still lags far behind first place Japan which has \$4,344 million invested in 210 projects. These figures do not include oil and natural gas investments which, if added, would put the United States in first place.

Don't Be Left Behind

Nalen emphasized that it is important for Indonesia to increase the utility of its advantages while concurrently correcting its weaknesses. If the weaknesses go uncorrected, Indonesia could be left behind by other developing nations which are continuously promoting themselves. "Don't forget that oil is an important Indonesian asset," he said. With these advantages, Indonesia should be capable of attracting more foreign capital investment than the other developing nations.

When questioned about the advantages and weaknesses of other developing countries, Craig Nalen was not prepared to provide any examples.

When asked for examples of the complicated bureaucracy, Nalen was also unprepared to provide any since it is only a general opinion of U.S. businessmen who have had dealings with Indonesia.

Serious

The OPIC president said that all of the 23 visiting U.S. businessmen are quite serious. They came to Jakarta directly from Washington without any stops in other countries. They will return directly to Washington.

"It is impossible to make a 25,000 kilometer trip like this just to play around," he said. During their week in Indonesia, the U.S. businessmen have seriously studied Indonesian investment possibilities. They also met with businessmen from the Indonesian Chamber of Commerce and Industry (KADIN).

Did their trip have any relation to the start of the economic recovery in the U.S.? Certainly there is a connection. The spreading U.S. economic recovery has given rise to optimism among businessmen who are beginning to look for capital investment opportunities.

"The chairman of the BKPM told us that Indonesia is looking for investment in agribusiness, high technology, labor intensive projects, and marketing for domestic consumption and export," Nalen said. Based on this, the U.S. businessmen will structure activities which will meet Indonesian requirements and also be attractive investments.

The 23 businessmen who visited Indonesia represent construction (Bechtel International), automotive components (General Motors Overseas Corporation), banking, chemicals, and other fields. Actually, they had already met with Sumarlin and Suhartoyo in the U.S. some time ago. Their visit to Indonesia was meant to allow them to thoroughly acquaint themselves with Indonesia and to hold more serious discussions which may lead to actual investment.

The businessmen are aware that during the fourth 5-year plan which begins in fiscal year 1984/85, Indonesia will enter the machine industry world. Because of this, these businessmen will also attempt to enter that world. They are convinced that U.S. produced machines will remain in the lead.

There has already been a lot of discussion about the problem of agribusiness. When questioned about the problem of the Right of Use (HGU), Nalen said that there had not been any discussion of that topic. Apparently, this matter is not seen as a big obstacle. They feel that a 30-year "Right of Use" is satisfactory. "I think that 30 years is long enough," he said.

Japanese Competition

Craig Nalen admitted that competition from Japanese businessmen who dominate investment in Indonesia is another serious problem facing U.S. Businessmen.

"It is a real struggle. U.S. businessmen must keep on fighting to win this competition with Japan," he added. He said that U.S. businessmen remain convinced that their nation's technology is still the most advanced in the world; therefore they are not afraid of the Japanese competition.

"We have been amazed to see so many Japanese cars and so much Japanese electronic equipment in Indonesia. U.S. businessmen are going to have to fight hard to beat them," Nalen said while clenching his fists.

In regard to Indonesian businessmen, the OPIC president said that they have made rapid progress. There are now many strong, world class Indonesian businessmen.

During his discussions with the chairman of the BKPM was the subject of native and non-native businessmen raised? Nalen replied that Indonesian businessmen are Indonesians. He does not want to differentiate between native and non-native. During his discussions with the BKPM chairman there was also no request to conduct initial activity with native businessmen.

"Engr Suhartoyo has never made any special request that we try to keep our initial activities limited to natives. He has never differentiated between the native and the nonnative," Nalen stated.

INDONESIA

PLANTATION DIRECTOR GENERAL DISCUSSES PRPTE PROJECT FAILURE

Jakarta MERDEKA in Indonesian 9 Dec 83 pp 1, 11

[Article: "88 Percent of PRPTE Projects Are Judged Unsuccessful; Production of only 4 Percent Is Judged Encouraging"]

[Text] Jakarta, Thursday [8 December] Eighty-eight percent of all the projects established under the Expansion and Rehabilitation of Export Crops Program [PRPTE] in 25 provinces have been judged unsuccessful in carrying out their fields of activity and production of only 4 percent is considered encouraging.

This was disclosed by Dr Engr Rachmat Subiaprada, plantation director general, Department of Agriculture, in reporting on the results of an evaluation of these projects during a hearing with the DPR's [parliament] Commission IV held in Jakarta on Thursday.

The plantation director general disclosed that a PRPTE combined team, formed by the minister of agriculture in October judged that 32 percent of the 25 PRPTE projects established in 25 provinces were highly unsuccessful, 56 percent were unsuccessful, 8 percent were adequate, and only 4 percent had developed encouraging capabilities in the sense that they were carried out well.

The combined team, which consisted of the chief of the Agriculture Research and Development Agency, assisted by components under the Plantation Directorate General, the Inspectorate General secretary, and three specialists--Prof Dr Gunawan Satari, Ida Bagus Teken, and Dr A.T. Birowo--concluded that of the 4 project classifications established by the team, the majority of the 25 PRPTE projects were judged to be poor and needed improvement.

The project classifications, the director general said, were class A (good), B (adequate), C (poor), and D (bad). Meanwhile, the criteria for judging the projects were based on a number of factors such as general administration, financial management, work planning, organization and personnel, farmer participation, development of fields of activity, and classification of plantations still under construction.

PRPTE projects were initiated in fiscal 1980 when fields of activity were developed according to the UPP [project implementation unit] model. Funds

for the development of fields of activity--seedlings, clearing land, planting, care of crops--were granted in the form of long-term soft credit. This credit was distributed through the plantation director general, the project, and the UPP for a variety of export crops such as pepper, cocoa beans, cloves, coffee, hybrid coconut palms, and cloves.

According to the plantation director general, the point of departure for a discussion of the failure of some of the PRPTE's is that they are new. UPP development as well as worker recruitment, construction of facilities, the credit system, and many other requirements are lacking and are weak points.

Rachmat Soebiapradja added that the 25 PRPTE projects located outside the Special Capital Region of Jakarta and East Timor have been inventoried for progress made in accordance with the evaluation required by the Plantation Directorate General each fiscal year.

614 UPP

Rachmat merely provided percentages rather than actual figures on the extent of the government losses since 1979-80, noting that only provisional figures were available. This means that the figures could be higher when the evaluations are completed.

Rachmat also clarified that in addition to the PRPTE projects, the team had also evaluated 614 UPP and classified them into 4 groups. Data on 158 or 26 percent of the UPP investigated show that only 12.7 percent were evaluated as good (class A), 59.5 percent were evaluated as adequate (class B), 24.7 percent were evaluated as poor (class C), and 3.1 percent were judged to be bad (class D).

On this occasion, the plantation director general agreed with Commission IV that postponing the expansion of PRPTE acreage until fiscal 1985 should be done selectively in the respective regions. "The allocation of the UPP annual plans should be made in such a way that it truly reflects the potential and capabilities of the implementing area," the director general said.

UPP's that are good or are classified A should be allocated a bigger annual plan than those that are considered bad. Meanwhile, the capabilities of the class B, C, and D UPP's should be upgraded in stages so that they can meet class A requirements and then be allocated a UPP annual class A plan.

Not To Be Abandoned

On a separate occasion later, the plantation director general told MERDEKA that despite their unprofitability, PRPTE projects in a number of locations would be continued, and the government had no intention of abandoning them.

At that time he said these projects were patterned after the UPP model which is judged to be very important for assisting the farmers. Other than the

reasons cited earlier, Rachmat said the weakness of the PRPTE projects is due to a combination of factors, for instance, workers are not as skilled as those working for the State Plantation Company or the state-owned Plantation Company, Ltd., allocation of funds is often delayed, and facilities are lacking, for instance, there are relatively few instructors.

IRJA Case

Based on MERDEKA's records, billions of rupiahs for the projects have been misused and have gone into the pockets of leading figures in the regions. For example, in the 4 fiscal years the projects have been operating, the leakage of PRPTE project funds in Irian Jaya totaled more than 1 billion rupiahs while funds set aside for these projects during these 4 fiscal years totaled some 2.5 billion rupiahs. This was illustrated by PRPTE projects located in Irian Jaya which, according to a MERDEKA source in Pulau Ujung, East Indonesia, some 40 percent of the state's money had been transferred to the pockets of leading officials there.

This practice, the MERDEKA source said, had gone on for a long time but was only disclosed after a team from the State Budget Supervision Office [KPAN] in Jayapura conducted an investigation there. Meanwhile, seedling and rehabilitation activities amounted to only 7.34 percent of the targeted 472 hectares of coconut plantings, 18.2 percent for coffee targeted at 160 hectares, and 22.62 for cocoa beans targeted at 520 hectares.

Recorded leakage from PRPTE projects totaled 1,094,888,950.95 rupiahs. This occurred from the end of fiscal 1980 to fiscal 1983. The overall ceiling for the funds for this period was 2,455,760,100 rupiahs. To date, leadership for the PRPTE projects in Irian Jaya has been replaced three times. The KPAN team has been investigating these projects since July 1983. Early last October they held direct dialogues with farmers participating in these projects and local UPP employees.

6804

CSO: 4213/115

INDONESIA

PRESIDENT CALLS FOR DEVELOPMENT OF NUCLEAR ENERGY

Jakarta MERDEKA in Indonesian 9 Dec 83 pp 1, 11

[Article: "President Inaugurates Atomic Research Complex in Lebak Bulus"]

[Text] Jakarta, Thursday [8 December]--In the coming period, nuclear technology will be needed for large-scale industrial development, especially to provide energy, President Suharto stressed on Thursday morning when he was given a briefing using visual aids by the National Atomic Energy Agency [BATAN] and inaugurated the Atomic Energy Research Complex and Operational Irradiator Unit in Pasar Jumat, Lebak Bulus, South Jakarta.

He said that oil is the biggest source of energy at the present time. However, oil resources are limited and, therefore, from now on every effort must be made to develop other energy sources such as nuclear energy as BATAN has begun to do.

Present nuclear techniques and technology have supported the development of a number of fields such as agriculture, animal husbandry, health, hydrology, radiation processes, conservation, and so on.

Supervision

The president said nuclear techniques and technology supporting development must be so supervised that no danger arises to the employees involved and to communities surrounding the various facilities. BATAN, which is the management and supervisory body for the use of atomic energy in Indonesia, must continue to establish regulations for and tighten supervision of the use of nuclear techniques and technology.

Left Behind

In another part of his speech, the chief of state reminded his listeners that history proves that man experiences great leaps in advancement and improved welfare through the advances made in science and technology. Experiences of other countries also prove that the command of science and technology puts them on a level with the most advanced and prosperous nations in the world at this time, even though they might not have as many natural resources or raw materials.

President Suharto said, "We are aware that our country's science and technology is several decennials behind those of other countries." Yet, the president reminded his audience, command of science and technology will be heightened by our command of nuclear technology, as he observed in the briefing. Nuclear technology includes advanced and complicated technology.

"Therefore, the National Atomic Energy Agency's achievement makes us proud and is encouraging for everyone. We are even more proud and encouraged because many of our nuclear experts are young. This reinforces our conviction that when given an opportunity, Indonesian manpower and scientists are as good as the manpower and scientists of other countries," the president said.

6804

CSO: 4213/115

GOVERNMENT POLICY ON IMPORTS TERMED INCONSISTENT

Jakarta KOMPAS in Indonesian 15 Dec 83 p 2

[Article: "Import Policy Inconsistent; Reduces Imports but Strikes Businessmen"]

[Text] Zachri Ahmad, general chairman of GINSI [All-Indonesia National Association of Importers], judges the government policy on imports to be inconsistent. While the government policy has successfully reduced imports, it has been a blow to businessmen.

"If its sole objective is reduction of imports, why must it destroy businessmen?" he asked KOMPAS on Wednesday in Jakarta. He stated that the inconsistency of the policy is reflected in the categorization of importers. Some importers are licensed to import a number of products which are regulated by trade arrangements, others are appointed, and still others have special permits to import specific commodities.

He stated that the inconsistent policy is reflected in the existence of compartmentalized imports. There are registered imports for various products which are regulated by an import trade system, there are imports based on demand, and there are imports of specific commodities based on special permission.

He said that the Department of Trade recently announced that all importers who wanted to import cooking oil were required to register with that department. "Why is it that only a trade corporation can import cement? This is just one piece of proof that the policy is inconsistent," he stated.

Since the import policy went into effect, importers have been channeled into specialization. Each registered importer is allowed to import only those items for which he is licensed by the Department of Trade. In addition to the registered importers, there are those who receive special treatment in the form of special licenses to import certain products or those who are designated as the importer of a specific product.

"The problem is," he added, "that we are not certain of the direction. Is the policy intended to support the trading houses, meaning general trading, or does it intend to promote specialization?"

Piling Up

In the beginning of December 1983, Minister of Trade Rachmat Saleh issued seven decrees on the marketing of seven industrial product groups. These decrees simultaneously cancelled the November 1982 decree of the minister of Trade and Cooperatives.

During discussions with KOMPAS last week, the Minister of Trade Rachmat Saleh explained that the objective of the new decrees was to simplify administration. The rationale for issuing the decrees was to accomodate the increase in types of commercially regulated material within each product group.

"That's fine," Zachri Ahmad said, "but take a look at the contents of the enclosures to the decrees. It just keeps piling up." He cited as an example the Minister of Trade Decree 718 on importation of material in the chemical products group.

Lubricants had previously been regulated by Presidential Decision 1/1979 and by Minister of Trade and Cooperatives Decree 433/1979. "If the objective is to solidify and simplify administration, how come lubricants are now included in a new decree while the old decree is still in effect?" he asked.

Successful Reduction

According to Zachri, if the several government policies on importing that have been announced during the past year are viewed from the perspective of import reduction, then they have indeed been successful. Based on Bank of Indonesia figures on new letters of credit opened during the first 8 months of 1983, imports have amounted to \$3,207.4 million. Foreign aid projects account for \$690.7 million of the total, while \$2,496.9 million was for imports paid for with general funds.

Since the value of 1983 imports is not yet half of the \$8,416.8 million in imports during 1982, he estimates that the value of Indonesia's imports in 1983 will not equal the 1982 value.

"If one looks at it from this prespective, the policy is certainly a success. But another result is that the government income from import duties and import sales taxes has also decreased," he said. He predicted that the 1983/84 state budget target for income from import duties and sales taxes will not be reached.

One of the objectives of import regulation, he said, is to protect domestic industries by ensuring an adequate supply of raw materials. However, he said that this policy has set up numerous obstacles to the development of importers. "Since it went into effect a year ago, many importers have gone out of business. So, while the regulations on imports have succeeded in reducing imports, they have really hurt the businessman," he added.

He went on to say that if we really want to protect domestic industry, we can find other ways such as establishing a system of tariffs, taxes, etc. We need not rely solely on restriction of imports. Furthermore, the government must clearly decide which industries require protection so that when it is developing its import policy, it does not hurt the businessman.

9127

CSO: 4213/122

INDONESIA

HARDSHIPS FORCE TRANSMIGRANTS' RETURN TO JAVA

Jakarta SINAR HARAPAN in Indonesian 15 Dec 83 p 1

[Article: "Hardships Cause Scores of Transmigrants from Sebamban, South Borneo to Return to Java"]

[Text] Scores of transmigrants from DKI (Capital Special Region) and Banyumas, Central Java have returned to their home villages because of severe hardships encountered at the Sebamban resettlement area in Satui district, South Borneo. This was recently reported to SINAR HARAPAN by the Nurdin and Anwar families, DKI transmigrants from Semarang, West Java who were forced to flee because they could no longer endure the conditions in Sebamban.

They had to sell all of their possessions, including their stove they brought from Java. According to Nurdin, everything of value had to be sold to pay for the return trip. They suffered both material and spiritual hardships because of unsuccessful harvests, unfair officials, and a shortage of health services.

Satui subdistrict has only one doctor who must serve the people from the Danau River to Block D of Sebamban, a distance for many kilometers. Although there are public health centers in other transmigration areas, they are served only by a medical aide or a midwife who lacks adequate medicines.

Deaths

Several transmigrants have died because they could not be treated promptly, due to the great distances involved, transportation difficulties, and the shortage of medicines.

The transmigrants have not been able to sell most of the vegetables that they planted in order to supplement their daily food. The reason is that rice is the only item that can be used to barter for those other things a person needs from day to day.

Officials

Anwar and Nurdin further stated that the transmigration officials clearly had no sympathy for the transmigrants. They readily reduced the transmigrants'

monetary allowances. The 26,000 rupiah land allowance, a monetary incentive for each head of family, was reduced to 21,000 rupiahs. The allowance for housing land fill was cut from 3,000 to 1,500 rupiahs. Even the several hundred rupiahs allowance for exchange of banana seedlings has not been provided for the past 8 months to those entitled to it.

9127

CSO: 4213/122

POLICE CHIEF VOWS TO CLEAN UP POLICE FORCE

Jakarta MERDEKA in Indonesian 9 Dec 83 pp 1, 11

[Article: "Correcting POLRI's Poor Image Takes Time"]

[Text] Jakarta, Thursday [8 December]--Police Lt Gen Anton Sudjarwo, chief of the Republic of Indonesia State Police [KAPOLRI] promised that his organization would be rid of the poor image upon which the public had recently cast a harsh light. However, this would take time because he could not change the image simply by pronouncing the magic words, "sim salah bim."

Today, in a hearing before the DPR's [parliament] Commission III, headed by its chairman, Andi Mochtar, the KAPOLRI reminded his audience that Indonesia had only been independent for 38 years and here and there things still seemed to be unsettled. Indonesia should not be compared to Britain during this century because we are still called a developing nation.

Nevertheless, the KAPOLRI was determined to apply pressure, and moreover to get rid of those activities that could besmirch the good name of the police. For instance, the 40 percent of the police force that is bad will be cut to 30 percent, cut further to 20 percent, and then to nothing at all.

"However, this is not an easy task and takes time. Nevertheless, I am determined to do this," the KAPOLRI said.

Responding to a question from a commission member on the rise in the number of crimes, Anton said this had happened for two reasons. Crime could have risen because of our own negligence, but it could also have risen because of the criminals themselves. Because we might have been negligent, opportunities arose. Crimes were also committed because individuals wanted to commit crimes and targets were available.

On this occasion, he added that drugs are routed through Indonesia because of its location on the crossroads between Australia and the "Golden Triangle" nations. To solve the problem of banned drug distribution, his force, in a conference of police chiefs held not long ago, decided to take a firm stance in the fight against drug distribution.

KUHAP

Touching on the KUHAP [Kitab Undang-Undang Hukum Acara Pidana--(Criminal Code)], the KAPOLRI stressed that open investigation, as stipulated in article 104 of the KUHAP was judged to be technically unsuccessful because it was too costly while no funds have been budgeted for this activity.

Nevertheless, Anton Sudjarwo said, the distinctive feature of the KUHAP is that it unifies and codifies the laws. In it human rights are emphasized and respected. Prominent in the KUHAP are the clear distinctions made between the duties involved in investigation, prosecution, and the administration of justice.

As to who may become a civil servant investigator, the KAPOLRI said this matter was covered in the new regulations issued on 1 August 1983 under PP [presidential decree] No 27 of 1983. However, procedures for their employment must still be clarified. "To date there has been no full inventory of the legal bases for the civil servant investigators' authority," the KAPOLRI said, referring to the transition period for the KUHAP which is to be in force on 1 January 1983 [as published].

As yet no investigation has been carried out under the KUHAP, Anton said, because no competent investigators have been employed, and no implementation regulations have yet been formulated, especially to cover work relations between POLRI and civil servant investigators.

6804

CSO: 4213/115

INCLUSION OF TRB IN TRI SYSTEM DETAILED

Jakarta KOMPAS in Indonesian 22 Dec 83 p 2

[Text] The government is expanding the TRI (Smallholders Sugarcane Intensification) program by including within it the former TRB (Smallholders Free Sugarcane). TRB plantings have now been turned into noncredit TRI. This means that the TRB area has been included in the milling plans for sugar mills; the only difference is that it cannot obtain credit, as do other TRI.

For the 1984/1985 planting season, plans are for a TRI planting area of 253,000 hectares, 173,000 hectares of wet-rice land (TRIS) and 80,000 hectares of unirrigated land (TRIT). In the 1983/1984 planting season, the TRI area was only 238,540 hectares, consisting of 180,980 hectares of TRIS and 57,560 hectares of TRIT.

According to the Minister of Agriculture/Chairman of the BIMAS [Mass Guidance Program] Coordinating Board's SK [Directive] No 10/SK/Mentan [Minister of Agriculture]/XII/1983 the entire TRI area will not be funded by credit packages. An area of 225,900 hectares will be fully funded; 19,400 hectares will be partially funded; and another 7,700 hectares will not be funded.

Five types of credit packages are available: a first-growth TRIS package of 1,217,500 rupiahs per hectare; a second-growth (pruned) TRIS package of 815,000 rupiahs per hectare; a first-growth TRIT package of 828,000 rupiahs per hectare; a second-growth (first pruning) TRIT package of 626,500 rupiahs per hectare; and a third-growth (second pruning) package of 626,500 rupiahs per hectare.

A first-growth TRIS package of at most 1,496,500 rupiahs per hectare, limited to a maximum of 17,500 hectares, covering six sugar mills, will be made available to Madiun, Magetan, Ngawi, Nganjuk and Ponorogo counties, where the soil conditions are difficult.

Seedlings

Sugar mills will be responsible for the stockpiling, availability and distribution of high-grade sugarcane seedlings by cultivating seedling farms. At least 70 percent of the high-grade seedlings used must come from seedlings recommended by the BP3G (Sugar Estate Enterprises Research Office).

In principle, sugarcane seedlings for TRI must come from seedling farms, except for areas which for technical reasons require the use of seedlings from sprout

cuttings from the first planting season on. This use of seedlings from sprout cuttings cannot exceed 30 percent of the first-growth TRIS-TRIT planting area.

Besides providing and distributing seedlings to the farmers, sugar mills also must implement the technology transfer involved and provide technical guidance to farm groups. Another role of the sugar mills is to regulate and look after the harvest and the transportation of the milled sugarcane. Sugar mills must oversee the amounts, the timetable and the effective use of the means of production given to the farmers.

The shares of the processed sugarcane will remain the same, i.e. 60 percent for the farmer and 40 percent for the sugar mill. Besides sugar, the farmer has the right to 1.5 kg of molasses from each 100 kg of milled sugarcane. The farmer's share will be paid in cash when his share of the sugar is given to him.

One percent of the farmer's share of the sugar will be given to him in unprocessed form, free of sugar duty, MPO [Individual Tax Collection], sugar PPn [Sales Tax] and bagging PPn. The remaining 99 percent will be sold to the government for cash. The BULOG [Logistical Affairs Board] will buy this sugar through the KUD [Village Cooperative Unit]. In order to guarantee its quality, the farmer's share of the sugar must be packed in new, class A twill sacks.

The particulars of the conversion rate will be determined for each group of hamparan [translation unknown]. An averaged conversion rate for the entire planting area in the sugar mill work region for TRI farmers is not allowed and is not legal.

No tax of any kind, besides that fixed by the government, can be levied on the sugarcane or sugar yield.

9846
CSO: 4213/129

INDONESIA

BUSINESS LEADER SPEAKS ON 'NATIVE', 'NONNATIVE' LABELING

Jakarta MERDEKA in Indonesian 22 Dec 83 p 1, 11

[Text] The terms "native" and "nonnative" will disappear by themselves when every Indonesian of foreign descent is willing to associate in every area of life with native Indonesians.

Probosutedjo, founder of the Indonesian Native Entrepreneurs Association (HIPPI), made this statement Tuesday evening [20 December] in a speech at the South Celebes HIPPI regional meeting (MUSDA) in Ujungpandang.

According to Probo, the nonnative group must have a sincere desire to assimilate, to associate with others, to adopt native customs, and not to anger native Indonesians or harm the people and the state.

In this regard, Probosutedjo stressed that HIPPI would not stop using the term "native" as long as many nonnative Indonesians could not associate with, adjust to and cooperate with native Indonesians in mutually-beneficial work.

He said that if they are forced to give up the term "native," HIPPI will be changed to HIPKIA (Association of Indigenous Indonesian Entrepreneurs) or stay with the acronym HIPPI in the meaning Association of Indonesian Supporters-of-PANCASILA [Five Principles of the Nation] Entrepreneurs.

He explained that the term "native" as used by HIPPI is not intended to provoke racism or discrimination between fellow-citizens.

Not Enough

Speaking about corruption, Probo said that there are not enough district attorneys or judges to prosecute the corruptors; other crimes would go unpunished.

He also said that he would support anyone willing to shoot the corruptors, but have we calculated how many corruptors there are and who their executioners would be.

"Maybe there are not enough graves and anyway how would we carry out their sentences," said Probo.

MINISTER CITES PROBLEMS WITH CRITICAL, AGRICULTURAL LAND

Surabaya SURABAYA POST in Indonesian 12 Dec 83 p 4

[Article: "20 Million Hectares of Land in Indonesia In Critical State"]

[Text] Bandung--Engr Wardojo, vice minister for increasing food production affairs, said at present some 20 million hectares of land in Indonesia are unproductive and are in a "hydro-orologically" critical state.

This much unproductive land has resulted from the shifting agriculture system that now threatens the natural environment, forests, land and water.

Wardojo said it is estimated that 1 million families farm some 2 million hectares, shifting their cultivation over some 10 million hectares. The areas farmed in this way have extended to regions at the upper courses of rivers. This threatens water collection areas and, moreover, protective forests.

Shifting cultivation will cause problems for irrigation and the natural environment, causing erosion, floods, shallow rivers during the rainy season, drought in the dry season, and other serious effects.

This, the minister said, is one of the problems for which immediate resolution is being sought, particularly to achieve the goals for agricultural development during REPELITA IV [Fourth 5-Year Economic Development Plan].

Another obstacle is the increasing number of agricultural entrepreneurs and the consequent farming of ever smaller plots of land.

The minister added weight to his statement by citing figures for the number of farmers. In 1970 there were 14.3 million farmers and 17.4 million in 1980, or an annual average increase of 2.8 percent.

Meanwhile, those farming wet fields of less than 0.5 hectares rose from 6.6 million to some 11 million. Of this number, farmers working their land rose from 456,000 to 2.6 million and farm laborers rose from 7.5 million (in 1977) to 8 million in 1980, or an annual average increase of 2.2 percent.

These symptoms, he said, show that workers added to the labor force because of population increase have not yet been absorbed by sectors other than agriculture.

OVERHAUL OF KNPI RECOMMENDED

Jakarta MERDEKA in Indonesian 12 Dec 83 pp 1, 11

[Article: "Muis AY Says KNPI Should Be Overhauled"]

[Text] Jakarta, Sunday [11 December]--In a discussion of the mass organizations bill, A. Muis AY, member of Parliament and the People's Consultative Assembly, said an overhaul is needed of the Indonesian National Youth Committee [KNPI] so that it can really play its expected role as a youth communication forum.

Speaking to reporters in Jakarta on Saturday [10 December], Muis continued, saying if one had paid any attention to the various views and ideas expressed on KNPI to date, one would have gotten the impression that there were positive and negative views toward it. These differing views provide sufficient reason for giving them some consideration.

Actually, Muis said, not many persons are against KNPI. The reasons for not approving of KNPI merely range around technical matters. Although technical matters give rise to the pro and con opinions on the organization, Muis said, it properly should not be permitted to function unless it is substantially overhauled.

In principle he admitted KNPI had played a role for young people. Therefore KNPI's role as a communication forum must be established permanently in the law on mass organizations. For this purpose various efforts should naturally be made to overhaul KNPI, for instance, by creating conditions under which the organization might be more flexible.

Further, its structure must be overhauled so that KNPI is able to reflect the potential of the young generation. This cannot be divorced from political conditions in Indonesia. In establishing a permanent role for KNPI, it must also be stressed that KNPI must be supported by the primary pillar, which consists of the youth pillars of the three socio-political forces--GOLKAR [functional group], PPP [United Development Party] and PDI [Indonesian Democratic Party].

"Why," asked Muis, who provided his own answer. Earlier we worried about our young people being often destroyed by socio-political forces. However, socio-political forces now provide the impetus for the unity of our young generation.

"Moreover, now that the three primary pillars have professed their adherence only to Pancasila principles, of course, this will make for even closer unity among the young people," Muis said.

We should not forget, Muis said, that we must become accustomed to having the three youth pillars of the socio-political forces (GOLKAR, PPP and PDI) in our lives so that our young people feel secure toward them when they step into the practical politics arena later.

6804

CSO: 4213/166

PRESIDENT DEDICATES PAPER PLANT

Jakarta KOMPAS in Indonesian 22 Dec 83 p 1, 9

[Text] President Suharto dedicated the Unit III expansion of the Leces Paper Plant in Probolinggo [East Java] yesterday. This plant, with a capacity of 260 tons per day, uses sugarcane pulp as fuel. It produces 220 tons of writing and printing paper and 40 tons of tissue paper per day.

With this expansion, the Leces Paper Company produces a total of 360 tons a day. Units I and II, which use rice straw as fuel, have a capacity of 30 to 50 tons and 65 to 70 tons per day respectively.

The head of state expressed his pleasure at this because the successful use of sugarcane pulp as fuel means that sugarcane is important not only for the agricultural sector but it also proves its importance for the industrial sector. This means that sugarcane cultivation can not only raise farmers' income but can also increase employment opportunities in industry.

Sugarcane cultivation will also become more important because the Indonesian people are determined to increase sugar production so that rising domestic needs can be satisfied by what we produce.

Coordinated

In that connection, President Suharto asked all groups closely tied to sugarcane cultivation and various industries centered on the sugar industry to work hard and to carry out these programs in a coordinated way. For example, the expansion of the sugarcane planting area should be coordinated with sugar mill development; sugar mill development should be coordinated with the availability of support services, such as engineering, planning and construction as well as the domestic manufacture of machinery.

This is also true for the development of industries using molasses, sugarcane pulp and so forth. "In this way, sugarcane cultivation can be developed and used as much as possible for the welfare of our people," said the president.

In marking the dedication the president signed the inscription and Mrs Tien Suharto cut the ribbon. This was witnessed by MENKO [Coordinating Minister]

for EKUIN [Economy, Finance and Industry]/Development Supervision Ali Wardhana, by Minister of State and State Secretary Sudharmono, S.H., by Minister of Industry Eng Hartarto, by Junior Minister/Cabinet Secretary Moerdiono, Drs, by Commander, Armed Forces/PANGKOPKAMTIB [Commander, Restoration of Security and Order] Gen L. B. Murdani, and by Wahono, the governor of East Java.

Eng Oetjok B. Notokoesoemo, president director of the Leces Paper Company, donated 10 tons of notebooks produced by the Leces Plant to Mrs Tien Suharto, acting as chairwoman of Our Hope Foundation, for social welfare organizations.

250 Billion Rupiahs

The Leces Paper Company is one of five government-owned paper mills. This plant (Unit I) was begun in 1939 and has been operating since February 1940. At that time, it was the second largest pulp and paper mill in Indonesia. It was a branch of the Padalarang paper mill in West Java, the oldest paper mill in Indonesia.

Formerly, the Leces plant was a PN (State Enterprise). It was changed to a PT (Limited Company) about the third week in November. This mill satisfies 40 percent, or 75,000 tons of paper per year, of the national requirements for various kinds of paper, now totaling about 175,000 tons per year.

The total cost of constructing Unit III was 250 billion rupiahs. At the same time, stage IV, which will have a capacity to produce 300 tons of newsprint per day or 90,000 tons per year, is now being constructed. It will also use sugarcane pulp fiber as fuel. It is now 60 percent finished and completion is expected at the beginning of 1985.

Three Groups

According to Eng Hartarto, minister of industry, towards the end of PELITA III [Third Five-Year Plan], the national paper industry fell into three groups. First, since last year Indonesia has been able to satisfy domestic needs for writing and printing paper. In fact, we have begun an export program.

Second, industrial paper such as paper for corrugated board, duplex/board paper and kraft liner paper can already satisfy our domestic needs, and we have begun an export program. Construction for cigarette paper, paper for cement bags and newsprint is now being readied. Third, specialty paper, for example tissue paper, can already satisfy our domestic needs.

In PELITA IV, the development of the pulp and paper industry will be increased; at the same time, it will be oriented toward exports since Indonesia has abundant fuel, i.e. agricultural and forestry products or by-products.

Tight Security

President and Mrs Suharto and their party went to Leces from Juanda Airport, Surabaya, by helicopter. The main road from Probolinggo to Lumajang (via Klakah)

was closed to all traffic from 6 am until the ceremony ended at noon.

Security was different this time. Provincial reporters were instructed beforehand on how to take photographs in a Leces Paper Company office. All cases, including cameras, tape recorders and pens were carefully examined by security men. Tape recorders were opened and batteries were also examined. One roll of film had to be sacrificed; it was exposed so as to show whether there was film or something else in the camera. Pens were opened to see whether they were really pens or not.

9846

CSO: 4213/129

INDONESIA

MP SAYS DECISION TO IMPORT COOKING OIL STARTLING

Jakarta PELITA in Indonesian 15 Dec 83 p 1

[Article: "Decision to Import Cooking Oil, Startling"]

[Text] Because domestic copra-producing crops are adequate and can be expanded on Java, Borneo and other islands, the government's decision to import up to 95,000 tons of cooking oil is startling.

This statement was issued to the press in Jakarta on Wednesday by Dr Marsoesi, the PDI [Indonesian Democratic Party] coordinator of economic and financial affairs in parliament.

In his opinion, this cannot be permitted to happen to any other commodity which constitutes a basic material of society's needs and which can be easily grown in great quantities in Indonesia.

"I understand", he said, "that this decision was made under very pressing circumstances to avoid a sudden increase in the price of cooking oil."

However the problem is that even though the public has long been concerned over the copra problem, rehabilitation of palm tree tracts, and reports that oil palm processing plants are folding and pulling up stakes, the long range joint planning was either not very good or perhaps was entirely non-existent. Marsoesi thinks that to manage this problem oil palm plantations should be expanded and more serious consideration be given to the rehabilitation, rejuvenation and expansion of palm planting in a number of domestic areas.

"We are able to export palm oil, but are forced to import cooking oil. This does not make sense from the point of view of the state development balance. This capital outflow can be prevented if there is a successful long range coordinated program which takes into account the possibility of a long dry season," he said.

In West Borneo for instance many of the people's palm gardens have been damaged because it was time for them to be rejuvenated, he added.

9127

CSO: 4213/122

WEST NUSA TENGGARA RICE SURPLUS DESCRIBED

Jakarta HARIAN UMUM AB in Indonesian 22 Dec 83 p 5

[Text] With the success of the unirrigated rice planting system (GORA) in the critical South Lombok area beginning with the 1980/1981 planting season, West Nusa Tenggara [NTB], which had been a deficit area in previous years, has now become a surplus area.

In the 1980/1981 planting season, the GORA system was put into effect in NTB on 26,400 hectares, mostly in the critical area of South Lombok, on 41,000 hectares in the 1981/1982 planting season, and this year plans are for it to cover 51,000 hectares.

On the average, GORA production is 6 tons of dry milled rice per hectare compared with only 1 ton per hectare using the traditional system, when the crop would often fail, said the governor of NTB H. Gatot Suherman at a recent meeting in Mataram [Lombok] with the Commission 'D' team (development) of the South Sumatra DPRD [Regional People's Consultative Assembly].

The South Sumatra DPRD commission 'D' team, consisting of nine people, arrived in Mataram on Wednesday [21 December] to make comparative studies in NTB for 2 days.

Can Help

Successful developments in the area of food production have enabled NTB to give rice aid to 12 provinces including the Moluccas, Riau, South Sumatra, Irian Jaya, East Kalimantan, Central Celebes and East Timor.

Besides that, income in the area in 1983 rose to 171,000 rupiahs per capita at current prices compared to 135,000 rupiahs per capita during PELITA II [Second Five-Year Plan].

Obstacles still faced include an insufficient amount of wet-rice land owned by the people of NTB, on the average only 1 hectare for every three families or every 15 people.

"Nevertheless, we are continuing to work hard to raise our people's standard of living by encouraging development in all areas, in agriculture in the broadest sense, in education and so forth," said the governor of NTB, H. Gatot Suherman.

9846

CSO: 4213/129

BRIEFS

BP-7 CHAIRMAN ON HMI--On Friday [9 December], Hari Suharto, SH [doctor of jurisprudence], BP-7 [Agency for the Management of Training in the Implementation of the Pancasila Practice and Implementation Guidelines] chairman, said he had read the Articles of Association [AD] and the by-laws of the Islamic Students Association [HMI] and found the noble principles of Pancasila included in the Mukadimah [preface] to the HMI AD. "Therefore, I personally and as BP-7 chairman have never had any doubts about HMI or the HMI struggle role especially during the earlier difficult period when we were confronting communism. At that time HMI provided a very great service," he said. Suharto made note of this when he received the leading directors of the HMI board in his office. They were H. Harry Azhar Aziz (general chairman), M. Iqbal Santoso (chairman), M. Yasin Kara (deputy secretary general), and Hardi Kosnan Sakara (Proselytizing Department). The HMI board of directors explained their views on Pancasila, upon which a consensus had been reached, as regulating the life of the people and the nation. As a consensus and a noble agreement decided upon by all the constituents, the HMI said, Pancasila is directly linked to the values taught by religion and the values inherent in the people's culture. Also brought up were a number of questions concerning HMI as a training and cadre-forming organization for young people's groups, directed in particular toward Indonesian Islamic students. While the BP-7 chairman explained the operation of his agency's program in the context of entrenching Pancasila in society. Azhar Aziz said HMI would remind those of its members who cared to participate, about the P-4 [practice and implementation of Pancasila principles] indoctrinations to be held at the center and in the regions. He also hoped there would be an opportunity after these sessions for BP-7 members and the HMI board of directors to meet on efforts to entrench P-4 in society. At the close of this meeting, Hari Suharto invited HMI to study Pancasila as a science, both as a program and as a concept. [Text] [Jakarta KOMPAS in Indonesian 12 Dec 83 p 3] 6804

CSO: 4213/116

BRIEFS

DEFENSE MINISTER ON USSR PRESENCE--New Zealand's defense minister, Mr David Thomson, says the arrival of a second Soviet aircraft carrier in the Pacific (?adds new strength) to Soviet military strength in the region. He said countries in the Asia-Pacific regions should match this through individual and collective efforts. Mr Thomson, who is in Singapore on a 3-day visit, was speaking in an interview with [word indistinct]. Last week a Kiev class carrier, the "novorossiisk" passed through the Malacca Strait to take up station in the Pacific with another Soviet carrier, the "Minsk." Intelligence officers from the U.S. 7th Fleet reported that Moscow had increased its naval and air facilities at Cam Ranh Bay and Da Nang in Southern Vietnam giving the Soviet Pacific Fleet an expanded operational capacity. [Text] [BK261405 Singapore Domestic Service in English 1100 GMT 26 Feb 84]

DEFENSE MINISTER IN THAILAND--New Zealand's Defense Minister David Thomson arrived in Bangkok today for a 6-day visit during which he is expected to hold talks on the Kampuchean problem with Prime Minister Prem Tinsulanon. Thomson, who was on a 3-day visit to Singapore, said yesterday that the Association of Southeast Asian Nations, or ASEAN, must be allowed to find a political solution to the Kampuchean problem. The New Zealand defense minister said he would discuss the Kampuchean problem with political and military leaders in Malaysia, Thailand, and Indonesia after ending his visit to Singapore today. [Text] [BK280819 Bangkok Voice of Free Asia in English 1230 GMT 27 Feb 84]

CSO: 4200/549

PAPUA NEW GUINEA

BRIEFS

COURT CHARGES AGAINST INDONESIANS--In Papua New Guinea, 84 men have appeared in court charged with entering the country illegally from the Indonesian province of Irian Jaya. Fifteen of them pleaded guilty in Papua New Guinea's northern border town of Vanimo and are to be sentenced today. Other men entered no plea and are to face the court again. Radio Australia's Port Moresby correspondent, Sean Dorney, says more than 220 Melanesians from Irian Jaya have crossed into Papua New Guinea since early this month. Dorney says this follows desertions from the Indonesian Army and trouble in the Irian Jaya capital, Jayapura. Papua New Guinea's foreign minister, Mr Namaliu, is to make a detailed statement to Parliament today on the border incident. [Text] [BK280305 Melbourne Overseas Service in English 0100 GMT 28 Feb 84]

CSO: 4200/546

CEBU DAILY CRITICIZES ROLL OF ELECTIONS COMMISSION

'Guilty of Hypocrisy'

Cebu City VISAYAN HERALD in English 2 Feb 84 p 3

[Article by Attorney Migs Enriquez Jr in the "Believe Me or Not" column: "The Hypocrisy of Comelec"]

[Text] A certain Dioscoro Sanchez legal officer of the local Comelec, was reported the other day to have required the boycotters in the recent plebiscite to submit written explanations for their failure to cast their votes.

This will enable the Regional Office of the Comelec, according to him, to decide whether or not to prosecute them for violating the law. Citing the penalties for boycotting the plebiscite and the elections, he enjoined those who failed to vote to comply to this directive by filing their written explanations as early as possible to avoid unpleasant consequences.

Decidedly, on this matter, the Comelec is guilty of hypocrisy of the highest order. In its desperate effort to secure a good turn-out of voters to prevent political embarrassment to the Marcos regime, the strong arm of the law id dangled to compel the people to participate in the coming elections. But it seems to us that the Comelec conveniently forgot its principal function as an independent constitutional body. Under our system of government, the Comelec is entrusted with the grave and sensitive task of guarding the secrecy of the ballot and to enforce all laws to ensure clean, free and honest elections. While it is true that part of its bounded duties is to enforce the legal mandate that the right to vote is not merely a privilege but also an obligation, yet the Comelec should not close its eyes and blatantly ignore the massive frauds committed in Danao City and in Bogu in the recent plebiscite. For how can the Comelec avoid being subjected to harsh and bitter criticism for going with hammer and tongs against the boycotters, if at the same time no action is taken against the rape of the electoral process which is now known throughout the nation?

Certainly, the desecration of the right of suffrage in a scale so massive and monstrous as those committed in Danao City and Bogu should arrest the immediate attention of the so-called guardian of the popular will. It is therefore beyond comprehension why no steps are taken even at this late hour to

prosecute the criminals that subvert our democratic institutions in a magnitude that offends the sensibilities of the staunchest believers of democracy.

By going after the small fries whose only fault is their sincere belief that they cannot in conscience participate in a political farce, the Comelec has not only alienated the people from the government but has antagonized the liberal and decent citizens of this banana Republic.

Marcos must be in a pretty tight spot to countenance Comelec's hypocritical drive to force the electors to go to the polls. Otherwise, why should he order the Comelec to whip the electors to compel them to exercise their right of suffrage?

Editorial Calls for Resignation

Cebu City VISAYAN HERALD in English 2 Feb 84 p 3

[Editorial: "COMELEC Chairman's Resignation Demanded"]

[Text] The losing credibility of the Commission on Elections (COMELEC) is hurting democracy faster than few have ever imagined. In the last plebiscite, no less than the Comelec chairman did much to augment this loss of credibility. Santiago's appearance in television on the eve of the plebiscite start of canvass of votes predicting that the "voter turnout would be about 75-80 per cent of the 31 million registered voters" was branded by an opposition leader, former Con-con delegate Reynaldo T. Fajardo, as mouthing the administration line.

Fajardo said: "...it was obvious that little, if any counting of the ballots could have been accomplished," by then.

And Fajardo continued: As a responsible Comelec official who is supposed to be an impartial arbiter of election matters, Santiago should have realized that mere delicadeza dictated that he should base his statements only on solid and unimpeachable results.

The former constitutional delegate has demanded the resignation of the Comelec chairman.

Well, the Comelec impartiality in elections has long been held in grave doubt. The recent indiscretion of Comelec chairman Santiago simply aggravates and brings afresh the Comelec's loss of credibility. Santiago must rightly resign his post without delay if only to help bail out our sinking ship of state.

CSO: 4200/528

OPPOSITION WEEKLY CRITICIZES GOVERNMENT EXPORT POLICIES

Quezon City VERITAS in English 29 Jan-4 Feb 84 p 9

[Article by Efren L. Danao: "Government 'Killing' Export Trade"]

[Text]

THE government is killing export trade although everybody agrees that it is vital to Philippine economy, a leading exporter said recently.

Nemesio Co, president of the Confederation of Philippine Exporters (COPE), told members of the Philippine Economic Society that the gains brought about by the Oct. 5 devaluation of the peso have been eaten up by the ensuing cost increases.

Co cited the imposition of export taxes and the increase in the interest rates of export loans as the measures that are "killing the goose that lays the golden eggs."

He said that the interest rates on export loans in the Philippines are higher than those in Taiwan, Malaysia, Korea, Indonesia, Singapore, and Thailand.

"We must take into account that these neighboring countries in the region are produc-

ing practically the same products as we do and sell to the same markets that we cater to.

"Everything being equal, except for the taxes that we pay and our interest rates being the highest, we can never make a go of it. What is happening right now is that they are killing the goose that lays the golden eggs," Co emphasized.

He questioned the government line that the export taxes and increased interest rates on export loans have been imposed "to curtail inflation."

"Is it inflationary to maintain lower costs for exports? I will agree if the end products are consumed locally. However, we are talking here of production for the world market!" he argued.

"The government should suspend all these export taxes which, according to our technocrats, are for the windfall profits exporters are getting because of

the peso devaluation. The assumption of a windfall profit is a total misconception because the gains brought by the Oct. 5 devaluation have been eaten up by the ensuing cost increases," he added.

He criticised the Central Bank for increasing the interest rates on export loans.

"The Central Bank seems to be overprotecting the commercial banks at the expense of exporters who are sweating it out in contrast with the bankers who just stay inside their beautiful offices surrounded by the prettiest secretaries in town," Co said.

Co also proposed the eliminations of red tape and the giving of higher priority in dollar allocation for raw material importations by export industries.

"Since this is an abnormal situation as claimed by our technocrats, we should remove all barriers and red tape connected with the out-

shipment of goods. We should do away with the regular forms and just have one requiring a single signature," he proposed.

He deplored the fact that the orientation of the Philippine economy has always been toward importation.

"It should be otherwise now," he stated, adding, "A drastic change in orientation is what we need. We must increase productivity to a greater degree of self-reliance, thus limiting our craving for imported goods. At the same time, we must focus our eyes on the world market to find out what other things we can supply out of their normal requirements of goods and services," he said.

He said that the change in orientation may be achieved through education, re-

vision of government policies and practices, concentration on agribased industries rather than on a massive industrialization program, a more realistic export marketing strategy, and increased efficiency of labor.

"Our desire to change our orientation can only be realized if we educate our children that way. Productivity and world trade should be made a basic part of the curriculum," he said.

Turning to government policies and practices, Co said that these should be revised "to make them more adaptable to our expanded trading operations with the world."

"Competition from government agencies or government-controlled corporations should not be tolerated," he em-

phasized.

He voiced approval of the attention being given to the promotion of seven non-traditional products which have the highest export potentials.

"On the market side, concentration must be given to those countries where we have the biggest deficit at the moment. As a general rule, these countries should be buying more from us since they deluge us with their products. We can even probably apply barter arrangements in this regard," he said.

"Labor must be made more efficient. Our come-on to foreign investors is that labor here is very cheap. This is a misconception. Once you start analyzing productivity and efficiency vis-a-vis the cost, you end up not getting any bargain," he argued.

He said that even training on labor efficiency may not be enough "since the problem is mainly attitudinal." Co suggested an exchange program or hiring of some foreign technicians to change the wrong attitude toward labor efficiency.

"A drastic change in our orientation cannot be achieved overnight. It may take a lifetime to achieve this change, but we must start NOW," he concluded.

CSO: 4200/528

VERITAS EDITORIAL QUESTIONS PRIEST'S 'ACCIDENTAL' DEATH

Quezon City VERITAS in English 29 Jan-4 Feb 84 p 4

[Editorial: "Concerning the Death of Father Kangleon"]

[Text]

HE WAS mortally wounded in an automobile accident, according to news reports. Because of brain damage, he was pronounced "clinically dead" on arrival at the hospital. Two days later, the last signs of any vital functions flickered out and he died.

On the face of it, one more accident victim in a metropolis not noted for safe, disciplined driving. One more routine entry in the police blotter out of scores of such cases each day, each week. Nothing out of the ordinary, one might say.

But the death by accident of Fr. Edgardo Kangleon now seems to have been anything but routine or ordinary. Rumor, conjecture and certain curious details about his confinement in the hospital have conspired to reopen, as it were, the file on Father Kangleon, to fan renewed interest in his case.

To begin with, Father Kangleon was no obscure, anonymous cleric. His social action work, his arrest and detention by the military, his TV confession to charges that he was involved in the Communist underground—all these had turned him into something like a famous figure, a news event. Not a few regarded him as a symbol of sorts, one of the more militant in the growing number of priests and nuns driven to "subversion"—by working for the poorest of the poor, the downtrodden.

There are many questions surrounding Fr. Kangleon in life and in death, questions whose answers may never come to light.

But they must be asked still – if only to remind us that the Christian vocation to go to the aid of the least and the most oppressed of our brothers can exact a heavy price, in our Christian country, in our time.

Father Kangleon lived, suffered and died in a time of assassins.

CSO: 4200/528

DEBU BATASAN CONTESTANTS REPORTED

Cebu City VISAYAN HERALD in English 2 Feb 84 p 3

[Article by Attorney David G. Ompoc in the "Of Mice and Men" column: "Opposition Candidates Vying for City's Slot"]

[Excerpt] The plebiscite results in the City of Debu have proven once again that city electors are more mature and independent minded compared to their counterparts in the province. On account of this observation, opposition hopefuls to the Batasan are fighting it out bitterly among themselves on who should run in the city. Prominently mentioned vying for the city's slot within the ranks of the PDP-Laban Coalition are Migs Enriquez Ex-Congressman Antonio Cuenco Ribomapil Holganza, Inday Nita Daluz and Ex-Sen John Osmena. Each and every candidate has his own reasons for choosing to run in the city.

Christmas detainee, Ribomapil Holganza advanced three reasons why his comrades should give him a berth in the city as follows:

- 1 That as a detainee his freedom of locomotion is curtailed so he will have no opportunity to meet his leaders and campaign actively on the provincial level.
- 2 After having been incarcerated for more than a year among all candidates, he is the most economically dislocated so he will be hard pressed in funding a provincial campaign.
- 3 On account of the charges he is facing, he believes that he cannot get justice from the courts so he wants to get a direct acquittal from the city electorate when his alleged offense was committed.

However, Mr. Holganza is willing to bend backward if the other candidates in the city can muster a superior reason acceptable to him.

The intense struggle is on for the two Batasan seats in the city. Only the strongest and the most articulate will have a chance of getting the prized plum. It is also possible that the coalition will break into pieces if the issue on who should run in the city is not settled to the satisfaction of the contenders. The scramble for the city's slot is heightened due to the results of the recent plebiscite where the "yes" votes swamped the "no" in the province. The fact of the provincial opposition candidates is uncertain just as the direction of the wind.

ARTICLE HITS CDC CORRUPTION, CITES EXPULSIONS

Quezon City VERITAS in English 29 Jan-4 Feb 84 pp 9-10

[Text]

WOULD you buy snow from the Arabs? No one in his right mind would, but that's virtually what our government proposed to do when it announced a rescue operation to bail out the problem-plagued Construction and Development Corporation of the Philippines.

Just a fortnight ago, news broke out that the CDCP was planning to pull out of its \$300-million road project in Iraq "to stave off an expected additional loss of \$50 million if it pushes through with the construction." Ironically enough, the government's rescue plan was announced months before this development. Credit our technocrats with that much foresight.

Businessman Jaime W. Ongpin once described the government move as "throwing good money after bad." But that was when we still had good money at our disposal.

All around us, we are confronted with evidence of this giant conglomerate's multi-million blunders. The San Juanico Bridge, built at the start of the Marcos regime at a cost of millions of pesos, could hardly make enough money to pay for its own maintenance; it was--and still is--a monumental structure that connects two underdeveloped islands, one of which is Leyte where development is said to be directly proportional to a town's proximity to Tolosa, hometown of the First Lady. The North and South expressways, though in themselves intrinsically good projects, may never see the day when tolls would be abolished as it was announced before their inauguration; instead the tolls keep going up. The Manila Cavite Coastal Road and Reclamation Project is dormant. But perish any thought that the indestructible company is perturbed by the encroaching waters of the bay.

Meanwhile where are all of Marcos' cronies? Out playing golf or doing whatever it is those close to the corridors of power do. Whatever their game of the hour is, the Filipino taxpayer can be certain of the outcome: He gets nothing, they get everything.

Who's to Blame?

CDCP, once the biggest construction firm in Southeast Asia and one of a few Philippine firms that had successfully penetrated the international construction market, is now in shambles. The company was once a showcase of Filipino ingenuity and a major foreign exchange earner; today it is the country's biggest white elephant that is being kept alive by billions of pesos of taxpayers' money.

The catastrophe could have been avoided if our government financial institutions had acted more prudently. The magnitude of the tragedy is further exacerbated by the fact

that the perpetrators of this economic sabotage not only remain scot-free; they also continue to make money from the company they helped to ruin. To a large extent, the saboteurs can thank the government for their "reward."

While the government's rescue package is yet to be implemented (the delay is attributed to complaints raised by the private sector), the intent of the government to exonerate the private shareholders of CDCP at the expense of the taxpayers is clear.

Consider the following:

In February 1983, the government found itself unable to collect P3.9 billion in outstanding obligations of CDCP to government financial institutions. Through LOI No. 1295, the government sought to condone these obligations, which included guarantees, by converting them into common shares of CDCP. Strangely enough, no requirement was stipulated requiring CDCP's principal shareholders led by Rodolfo Cuenca, erstwhile CDCP chairman and president, to honor personal guarantees which they had issued on some of these obligations, this even as the government financial institutions which had guaranteed CDCP's obligations continued to be responsible for paying said obligations. Neither were Cuenca and his associates required to put in additional equity infusion.

What's more, the proposed conversion to common stock is to take place at the par value of the shares notwithstanding the fact that the company is virtually bankrupt. No effort is being made to charge losses or reductions in asset values to the holdings of Cuenca and company. Instead, the value of Cuenca and his associates' investments in real terms is bound to improve significantly as a result of the proposed government rescue plan.

In addition, once CDCP starts to make money again—and it would be difficult for it not to under the plan which, among others, proposes to condone interest charges on P3.9 billion—and declares dividends, Cuenca and friends are likely to head the line of recipients. As some observers say, only in the Philippines can one find such rare vultures.

CDCP: A Brief History

CDCP was founded in 1966—the year Ferdinand Marcos became president—by Rodolfo Cuenca, a close associate of President Marcos.

The original company was formed from a merger of 18 subcontractors boasting different skills as road building, bridge erection, port terminal and warehouse construction, dam, pipeline and irrigation system development. Its meteoric growth has been attributed to all the govern-

ment construction projects it won and had kept on winning, plus the direct and indirect government financial support it obtained:

Among the early large-scale government projects CDCP undertook are the San Juanico Bridge; the North Luzon Expressway with a contract value of P31.7 million and the South Luzon Expressway with a contract value of P41.5 million (at the foreign exchange rate prevailing at that time, these had dollar values of \$8.19 million and \$10.68 million, respectively). CDCP's dependence on government projects continued over the years, fully 80 per cent of all local projects it undertook during the last 17 years had come from the government sector.

Dependence on Government Financing

While no data are currently available on the growth of CDCP's obligation to government financial institutions, it could be safely surmised by analyzing its year-end 1982 balance sheet that the rapid growth of CDCP—both its traditional construction business and its integration/diversification programs—had been largely fueled by government financing.

A quick survey of the figures reveals that out of CDCP's total bank obligation of P4,949 million as of year-end 1982, about P3,900 million or 78.8 per cent of the total was owed to govern-

ment financial institutions, either directly or in the form of guarantees. This is in addition to P400 million worth of government equity that some local banks had earlier injected into the company.

In the case of the Development Bank of the Philippines alone, it had approved credits in favor of CDCP estimated to exceed P1.3 billion, exclusive of the Midland Cement Corporation facilities leased by the bank to CDCP.

According to reliable sources, CDCP has not repaid a single centavo of its obligations to DBP.

Integration and Diversification

By 1974, CDCP, with assets reported at P410 million, had grown to become the biggest civil engineering contractor in the country, having completed close to P190 million worth of construction projects mostly for the government.

Encouraged by its success in construction activities, it then embarked on an ambitious dual strategy of integration and diversification to achieve an even more astounding growth.

Its management experts designed for the CDCP a blueprint for horizontal and vertical integration which was really nothing but a fancy way of consolidating income within the CDCP group to the exclusion of all others. Thus, rather than depend on outside suppliers for its equipment

and servicing needs, the company set up a heavy equipment marketing subsidiary, Tierra Factors Corp. Rather than buy its cement requirements from other firms, CDCP acquired on a lease basis Midland Cement Corporation. And to service its insular and overseas movement of heavy equipment, it acquired Luzon Stevedoring Corporation and Galleon Shipping Corp.

The list goes on and on: BBC-Normelec for electrical components; Dasmariñas Industrial and Steel Works for structural steel; Builders Insurance Brokers Corp. for construction and engineering insurance.

As for diversification, CDCP embarked on ventures outside its area of competence. Among the companies it formed in pursuit of this strategy are CDCP Farms Corporation (agri-business); CDCP Mining Corporation (copper mining); Philskan Industries Corp. (industrial refrigeration); and Resort Hotels Corp. (hostelry). Before the bubble burst in 1981, CDCP had 34 affiliates and subsidiaries engaged in a wide array of activities ranging from air transport and farming to warehousing and hostelry.

The CDCP story will not be complete without mention of the Manila Cavite Coastal Road and Reclamation Project, a project it undertook in line with its growth strategy but which ended as a monumental failure. A reclamation project covering 2,915 hectares

along Manila Bay, the MCCRRP was begun in 1974; target year for completion was 2004 and estimated cost was P7.28 billion unescalated. For undertaking the massive project, CDCP agreed to be compensated with portions of the reclaimed land which the company hoped to develop and sell.

Naturally cash inflows from such a lengthy project would be spread out over a period of 30 years. It is astonishing, therefore, to discover now that CDCP had funded its project cost with short and medium-term financing. You need not be a financial whiz to arrive at the inevitable catastrophic consequences of such a faulty management decision.

It hardly surprised anybody when again the government propped up the faltering construction giant. In 1981 the Public Estates Authority bought CDCP's remaining land holdings at MCCRRP for a whopping P1.645 billion, quite a sum to pay for what looked like a dump site then.

In its desire to grow big quickly, CDCP had spread its resources - mostly financial - too thinly. To finance its expansion, the company needed capital which it raised through massive borrowings, not through the infusion of additional equity. If there were anything to be risked, it was other people's money or, to be more precise, the credit of very obliging government financial institutions.

In June 1976, CDCP reported receivables and investments worth P179 million with P558 million in bank loans, giving it an actual equity of P144 million. By December 1982 the company's receivables and investments rose to P1,143 million but its bank loans had likewise increased to a staggering P4,949 million with an actual equity of P1,173 million. Capital and retained earnings that the owners of CDCP had put into the company were hardly sufficient to fund long-term investment. To compound it all, its traditional construction activities were being run purely on debt.

1981: The Bubble Bursts

Borrowing heavily from the short-term market to finance its integration and diversification programs, CDCP was caught holding the bag when the credit crunch came.

- The debts it incurred to set up its subsidiaries and affiliates piled up; most of the subsidiaries and affiliates were failures, thus increasing the burden on the mother company.

- Even as CDCP could not scramble enough funds to pay off maturing obligations, it needed more and more financing to meet existing contracts. By this time, the company resorted to financing its projects with borrowed funds even before it could collect from clients.

- While the cost of money was rising tre-

mendously, project owners were reluctant to pay for cost escalations and worse, they failed to pay CDCP on time for completed projects.

The Government to the Rescue

Given the situation that the CDCP got itself into, the government sought to bail out the company with measures unheard of in Philippine financial history; it sought to rescue a private concern by setting aside for the company's rehabilitation an amount equivalent to 29.6 per cent of all taxes collected by the BIR in 1981:

- In 1981 the government bought from CDCP its remaining land holdings at the MCCRRP at a purchase price of P1,645 billion;

- In addition to the P150 million of equity which PNB had infused into the company, the NDC added fresh equity amounting to P250 million. The CB Industrial Fund, in turn, handed it a P300 million loan.

- Finally in early 1983 the government through LOI No. 1295 sought to convert into CDCP equity P3.879 billion worth of CDCP's financial obligations to various government institutions.

All told, therefore, between 1981 and 1983, the government pumped into CDCP approximately P5.924 billion of taxpayers' money, a monumental effort to save a "private" firm.

The Questions

Many are questioning the morality and legality of the government's move. Should any government spend P5.924 billion to prevent the lay off of a few thousand employees? Saving jobs had been a favorite argument of the government, as well as the prospect of losing foreign exchange earnings. But how much more foreign exchange can a floundering company like the CDCP expect to earn? Is the bail-out package legal in the first place? How could the PNB exceed its limit of loans to a single borrower, as dictated by the General Banking Act, without the President's tacit approval?

A Post-Mortem

Faced now with a monumental liquidity problem, CDCP obviously had simply ignored a very basic financial principle. It also fooled itself into believing that it could get away with it. Any student of finance knows that sources and uses of funds must be properly matched; long-term uses of finance must be funded by long-term sources. What it did was finance its integration and diversification programs with short-term borrowings instead of putting in additional equity funds. Even in most of its construction projects, it brazenly used short-term funds, as in the case of the MCCRRP fiasco.

An erring company hardly needs encouragement but the govern-

ment, in an unbelievable gesture, further condoned CDCP's actions by granting it more loans and guarantees. Without any apparent concern for CDCP's ability to pay back its loans or for its efforts in instituting appropriate controls, government financial institutions granted the company more jumbo loans, guarantees and even additional equity. With the latest infusion of additional funds into the company, total exposure of the government reached a staggering amount equal to 27 per cent of the country's money supply, 13 per cent of total government expenditure in 1982 and 35 per cent of all taxes collected in 1981.

Poor management has further compounded the company's problems. A case in point is its latest fiasco, the Iraqi highway project. Venturing in an unfamiliar market and encouraged by government support, CDCP submitted a winning bid that turned out to have grossly underestimated the project cost. Now the losses will definitely not be borne by the company's stockholders but by the Philippine Export and Foreign Loan Guaranty Corporation. It is reported that Philguaranty has already paid out at least P200 million

worth of guarantees to save the project.

The Rich Get Richer

For all their bungling, Cuenca and his associates have come out of the CDCP debacle not only unscathed but also enormously richer. Over the past 15 years, Cuenca and friends are reported to have collected staggering sums in cash as well as cash dividends. This is not to mention their other compensations like private jets and other assets they have reportedly squirreled in foreign countries.

If the government bail-out plan pushes through, Cuenca and associates would not only be exonerated of their personal guarantees, the value of their original investments in real terms would also stand to improve very significantly. The scenario amounts to a brazen mockery of every Filipino taxpayer in the country. After all that has happened, Cuenca and his associates will continue to earn dividends from invisible earnings of CDCP. Note that in 1981 the company declared P26.34 million in cash dividends despite the fact that it earned only P21.14 million in the same period.

Once upon a time, they used to jail people for offenses lighter than these.

ELEVEN-YEAR OLD AQUINO DOCUMENT PUBLISHED IN JAPAN

Cebu City VISAYAN HERALD in English 2 Feb 84 pp 1, 9

[VISAYAN HERALD subslug: "Document Written by Ninoy Aquino in Jail; Warns of Revolution or Coup"--"Tomorrow Is Too Late"]

[Text] TOKYO (AP)--Benigno Aquino, the Filipino opposition leader who was assassinated last August, wrote document in jail 11 years ago warning that his nation faced a communist revolution or a coup, a major Japanese newspaper reported Sunday.

The typed 40 page document titled "tomorrow is too late," was written in February 1973 and given to Kenichi Ito, a first secretary at the Japanese Embassy in Manila at the time, the Japanese language Mainichi Shimbun said.

In the document, the Mainichi said, Aquino charged President Ferdinand E Marcos with "ignoring the Constitution" and warned that either the Philippines would undergo a communist revolution or Marcos eventually would be overthrown by a coalition of civilian politicians and the military.

The paper did not cite its sources, and Japanese diplomatic officials were not available for comment because of the Sunday holiday.

Aquino was shot to death at Manila Airport last Aug 21 as he returned from three years exile in the United States

Aquino charged in the document that "Marcos is seeking eternal power for himself and his family, and in a calculated manner destroying the Philippines politically, morally and economically," the Mainichi said.

Aquino warned that if this continued, "Communist forces will come down from the mountains and seize power," and the Philippines would become a leftist state like Cuba, the paper said.

It said Aquino wrote that the United States "is committed to a leader who has lost the trust of his countrymen and who is fashioning an oppressive government with the muzzle of a gun pointed at the people."

"Is this in the interest of the United States?" he asked.

Aquino apparently gave the document to Ito because he was a trusted friend who had diplomatic immunity, the Malnichi said.

It commented, "although this document was written 11 years ago its implications for today are virtually unchanged considering the political developments following Mr Aquino's assassination last year."

CSO: 4200/528

WRITER DESCRIBES DAVAO ADJUSTMENT TO TERRORISM

Quezon City VERITAS in English 12-18 Feb 84 p 13

[Article by Mary Carolyn Arguillas: "Davao--Coming to Grips With Fear"]

[Text]

COMING down to a suburban city in Southern Philippines, one gets to learn about "salvaged" bodies found in highways, policemen and soldiers killed in broad daylight, "come home early, it's not safe after ten p.m." warnings.

Grim though the picture may seem, one takes to the socio and even politico-economic situation in Davao City (the largest city in the world, area-wise) like one does to the smell of

that spiky-faced durian fruit the city is noted for: leave, or get used to it.

From the outside looking in, the situation in the city has been variously described as "peaceful," "critical," "dangerous," "a war zone." PC/INP Regional Commander Dionisio Tangatue, in an interview with *Veritas*, did not confirm nor negate these impressions, saying: "I don't want to correct

anything. If it's their perception, I can't do anything but tell them to come over and find out for themselves."

Almost in the same breath, Tangatue explains that the New People's Army "tries to be visible in the city proper and in the countryside." He confirms that NPA sympathizers are many, although they may be classified as witting or unwitting sympathizers. "Almost all sectors in society, even the media, are infiltrated." He cites as "subversive" elements the NPAs, the National Democratic

Front and the Communist Party of the Philippines.

Towards the latter part of 1983, several policemen/soldiers were killed in broad daylight, the gunmen shooting their victims up close. A number of jeepney drivers and commuters

had commented that Christmas '83 is the only Christmas sans extortion. Conspicuously absent were policemen regulating the traffic.

Asked to comment on the lack of traffic policemen in the streets, Tangatue answered: "What do you expect? We are only human!" and expressed his hope that the people will realize the importance of policemen on the streets.

What is happening,

Tangatue said, is basically terrorism. "The NPAs would be very happy if policemen are not around. They want to get maximum publicity out of their dastardly act. It only unmasks the violent nature of that organization."

An advertising consultant relates that armed military men in uniform are inside a

passenger jeepney, the passengers inside hold their breath until the soldiers have alighted.

A few minutes before the plane touches down, one wonders how a city could have risen amid those banana and coconut trees.

At the arrivals section of the Davao International Airport, two picture boards show how the military attend to the welfare of the people.

Entering the city proper, one gets to see armalite-toting military men all over. Graffiti extolling the NPA are painted on the gates of schools and buildings

like the Magallanes Elementary School and the Government Service Insurance System building. The military might have gotten tired of playing magic slate with the graffiti painters because these are no longer erased. The *N* and the *A* from *NPA* are instead removed and the letters *AF* are written next to the *P* to spell *AFP*.

With a 1980 population of 611,311 and a 1982 income of P79,344 million, the City has figured prominently in the national dailies as one of the first cities whose Monsignor exposed in 1979 what he called the "reign of terror in the

countryside", whose San Pedro Cathedral was bombed on Easter Sunday of 1981; whose elected Mayor was seated more than a year after the January 1980 local elections; and whose citizens have long before learned to stifle a yawn or a smile, but never its voice.

ITS Yellow Friday events may have waned but organizers (JAJA, LIHUK, KATA-WHAN or JALIKA) are bent on sustaining the movement. Each coordinating organizer takes charge of the Yellow Friday movement on a monthly basis.

JAJA Davao Chairman Atty. Silvestre

Bello III says that although the movement has been criticized as "elitist," the urban poor, peasants, the labor sector and the studentry have been tapped and are now active participants of the movement.

The killings and the salvaging, notwithstanding, the Davaoeño is not deterred from going to the streets to rally, to wear yellow in a government office on Friday; to use "Hindi ka Nag-iisa" pins to use its voice."

Although some citizens have opted to leave the city, those left behind have learned to live with the killings and the "salvagings."

CSO: 4200/528

PHILIPPINES

FIRM TERMINATES WORKERS, HIRES CONTRACT LABOR

Cebu City VISAYAN HERALD in English 2 Feb 84 pp 1, 4

[Excerpts] Workers of the Atlas Consolidated Mining Development Corp. (ACMDC) held a dialogue with the officials of the Philippine Social Security Labor Union (PSSLY) last January 31 at the union's office in Lutopan, Toledo City.

The workers, numbering around 150, sought clarification from the union officials regarding the company management's policy on mass termination of workers which was effected early this year.

According to the union officials, the termination was prompted from the present economic crisis and that the company is losing

They also pointed out that the other cases of termination were enforced out of mercy to workers who could have been discharged for criticizing the union or union disloyalty.

The workers on the other hand doubted the reasons elaborated by the union officials.

They contended that the company could not be losing as reflected by the continued expansion, possession of new machineries and the hiring of contractual workers as replacements for those terminated.

The workers likewise criticized union officials who according to them are "yellow leaders".

They also expressed concern over the uncertain future of the contractual workers whom they said are paid unequally.

There are about 10 contracting agencies at ACMDC.

Also during the dialogue, the union officials divulged that the management have not yet acted on the letter requesting the company to desist from further termination of workers which was dated December 20, 1983.

The dialogue ended with the union officials advising the workers to simply wait for the answer of the management regarding the request.

PHILIPPINES

POLL SHOWS ELECTION PARTICIPATION FAVORED

OW251406 Quezon City RPN Television Network in English 1100 GMT 25 Feb 84

[Text] The Philippine News Agency [PNA] survey says 88 percent of people in the province polled on the issue of boycott vs. poll participation favored casting the ballots on 14 May.

The PNA, a government agency, said it conducted its random survey among 700 respondents who included teachers, students, employees, farmers, workers, professionals, and politicians. The survey covered the cities of Cebu, Iloilo, Davao, Zamboanga, Dumagate, Baguio, Dagupan, Lucena, Lawag, San Fernando, Langoan, Tuguegarao, Cagayan, Central Luzon, and Bicol.

Meanwhile, the third national convention of the Philipino Democratic Party and Lakas Ng Bayan [PDP-LABAN] has begun at the (Atteneo Gray) school building in (Lezon) in Quezon City, and Luchi Cruz was there.

[Begin Cruz recording] [In progress] to be decided in its convention in PDP-LABAN's position to boycott or to take part in the May polls. As is known, some PDP-LABAN leaders are for boycott; others, however, want the election held.

Mrs Cory Aquino, who keynoted this morning's program, did not give any hint of her own personal stand. In her speech, she vowed to continue the fight for the restoration of democracy in the country. Leaders attending today's convention included former (?Concon) delegate (Repis Roguild Donas), former Senator (Ramon Mitra), former congressman (Jose Coangua), and former senator Lorenzo Tanada. The two opposition parties were expected to arrive at their decision tomorrow. [end recording]

CSO: 4200/550

PHILIPPINES

BRIEFS

NPA MEMBERS KILLED--New government clashes with terrorists were reported in the Visayas and Mindanao. Reports from Zamboanga City say 7 terrorists were believed killed last Wednesday when a group of militiamen engaged 50 heavily armed members of the New People's Army [NPA] in a 15-minute firefight. The firefight took place in Barangay (Pogunan), Labangan, Zamboanga del Sur. There were no reports of casualties on the government side. In Bacolod, the military reported that a suspected NPA member was killed in a clash between government troops and an armed band in (Citio Tekmaya), Barangay (Gatuslau), (Candoni), Negros Occidental. The clash occurred at about 2030 last Wednesday. [Text] [OW251424 Quezon City RNP Television Network in English 1300 GMT 25 Feb 84]

GRENADE ATTACK KILLS THREE--Manila, 24 Feb (AFP)--Three people were killed and 20 injured, 11 of them seriously, when a grenade exploded near the market of Ozamiz City some 700 kilometers (437 miles) south of here Tuesday night, a delayed report quoting police said today. The 11 seriously injured were fighting for their lives in local hospitals, doctors were quoted as saying. One of those killed was a 13-year-old boy vendor, and another a prominent businessman of the city. Details of the third dead man were not known. Police said four men were seen to be running away from the scene seconds before the explosion and that they suspect they were communist New People's Army guerrillas. [Text] [OW241225 Hong Kong AFP in English 1156 GMT 24 Feb 84]

DAVAO CITY GRENADE EXPLOSION--A fragmentation grenade explosion at a hardware store in Davao City this morning resulted in the wounding of two persons. Wounded in the blast were (Felix) and (Rodolfo Sinca), both businessmen and the owners of Floyd Town Auto Supply. Reports said an unidentified man lobbed the grenade at the store for the failure of the (Sinca) brothers to pay protection money to the New People's Army. [Text] [OW251320 Quezon City RPN Television Network in English 1100 GMT 25 Feb 84]

DELEGATION RETURNS--Ulaanbaatar, 29 Feb (MONTSAME)--The Parliamentary delegation of the MPR led by N. Lubsanchultem, chairman of the executive committee of the Federation of Mongolian Peace and Friendship Organizations, deputy chairman of the executive committee of the Mongolian parliamentary group, has arrived home. The Mongolian parliamentarians visited Delhi and Hanoi, where they have participated in the work of the Conference of Asian MP's and the

consultative meetings of leaders of parliamentary groups of socialist countries. [Text] [OW292335 Ulaanbaatar MONTSAME in English 1710 GMT 29 Feb 84]

DROUGHT THREATENS LUZON--The spectre of another drought has increased the prices of palay in Central Luzon. A survey shows that palay now costs from 2.40 to 2.45 a kilo. The prices are higher by 20 centavos over the prices in December and January. The government price ceiling for palay is 2.10 a kilo. The spectre of drought has threatened Central Luzon, as the water level of Puntamagan Dam dipped to 175.39 meters. The level is the lowest since the dam was constructed in 1975. The dam at present is able to serve only 28,000 hectares of Central Luzon's 80,000 hectares of price rice-lands depending on the dam for irrigation water. [Text] [HK270325 Manila Far East Broadcasting Company in English 2330 GMT 26 Feb 84]

INFLATION AT 26.1 PERCENT--The country's highest rate recorded since 1975 was posted at 26.1 per cent last month, according to a report submitted to the Monetary Board late last week by the National Economic and Development Authority (NEDA). The report showed that the country's inflation rate started to climb by late October when the Philippines declared a moratorium on debt payment. The devaluation of the peso in October also helped to spur inflation, the report said. [Text] [Quezon City VERITAS in English 29 Jan-4 Feb 84 p 7]

MORE LAYOFFS--With the labor sector still reeling from the impact of the economic crisis spawned by the rash of events which closely followed the airport killing of former Senator Benigno Aquino, Jr., 110 companies are reportedly preparing to lay off about 68,000 workers in the next few months. These firms are scheduled to either shut down or suspend normal operations because of difficulties in getting vital raw materials abroad. Another 38,000 workers will also be affected by production slowdowns in some 122 firms, according to a survey conducted by the Employers Confederation of the Philippines. [Text] [Quezon City VERITAS in English 29 Jan-4 Feb 84 p 7]

CSO: 4200/528

SOLOMON ISLANDS

BRIEFS

NEW POLITICAL PARTY FORMED--A new political party has been formed. It is called Solomon Islands Traditional Leadership Party (SITLP). A meeting for those who are interested were called last weekend, but not enough people turned up, so another meeting will be held this weekend, on Saturday. A spokesman for the party, said that the Party's constitution and manifestoes have not yet been drawn up, and the office bearers have not also been chosen. This will be done as soon as everything is organised, he said. He said that they are not yet certain whether to contest the coming general election or not. Some members of the Solomon Islands Traditional Leadership Party were former school teachers. [Text] [Honiara SOLOMON STAR in English 23 Dec 83 p 7]

CSO: 4200/525

THAILAND

PRESSURES FOR BAHT DEVALUATION DISCUSSED

Bangkok PATINYA in Thai 23 Jan 84 pp 16-20

[Article: "Fears for the Value of the Baht: When the Private Sector Does Not Trust the State"]

[Text] Even though the government, through senior officials of the sectors concerned, is denying the rumors that the government intends to devalue the baht in order to solve the country's financial crisis, it cannot quiet people's fears about this. At the beginning of January, Mr Nukun Prachuapmo, the governor of the Bank of Thailand (BOT), personally had to come forward and state that the economic situation in general will improve this year. [He said that] the agricultural and industrial sectors will continue to expand at a rate similar to that of last year. Because the financial liquidity of the commercial banks has declined and interest rates have risen, the people will have to reduce their spending. This will help improve the country's balance of trade and balance of payments situation. Also, the BOT has implemented three financial measures and so it is expected that Thailand will be able to increase exports by 10-15 percent a year while reducing imports, with imports increasing only 7.8 percent a year.

Thus, it is expected that the balance of trade deficit will decline to approximately 60-65 billion baht. And so the balance of trade and balance of payments deficits are nothing to be alarmed about. The BOT is confident that it can maintain the stability of the baht since Thailand now has international reserves of more than 26 billion baht. (International reserves refers to the assets that a country holds for use in carrying on international business activities. These reserves include gold, important foreign currencies and special money withdrawal rights. The International Monetary Fund issues and disburses [funds] to member countries. For example, Thailand uses its international reserves to back the printing of currency used domestically and to maintain the exchange rate level so that the country's exchange rate remains stable.)

On 8 January, Mr Sommai Huntrakun, the minister of finance, appeared on the television program "Frankly Speaking." In response to questions

by the program moderator, he said that the country's financial situation is not in such dire straits that the government has to solve the problems by devaluing the baht. He did this in order to quell the fears that private-sector businessmen have concerning this problem. [We] will have to wait and see how successful he was.

Why Was It Necessary to Devalue the Baht In 1981?

In 1981, the government devalued the baht twice in quick succession. The first time was on 12 May, when the baht was devalued by about 1 percent. The second time was on 15 July, when it was devalued from 21 baht per U.S. dollar to 23 baht per U.S. dollar, which amounted to a devaluation of 8.7 percent. This was done in order to keep the country's international reserves from declining, which would pose a danger to the country's financial stability, and to stimulate exports and cut back imports for the medium term. The objective was to solve the chronic balance of trade and balance of payments problem that was getting worse and worse. As for why the government had to devalue the baht at that time, the BOT gave the following reasons:

1. Trends concerning the value of the baht: From the beginning to the middle of 1981, the value of the baht--as measured by the index comparing exchange rates between Thailand and its important trade partners--was increasing along with the value of the U.S. dollar. This had a great effect on Thailand's international trade position. Exports declined greatly since, in the eyes of other countries, Thai goods were becoming very expensive. Besides this, during that period, prices of goods on the world market declined. In addition, demand [for goods] in the developed countries was rather weak. Thus, the value of exports of both primary and secondary goods rose at a rate much lower than usual. This resulted in the incomes of exporters and farmers rising very little. At the same time, the value of imports rose at a high rate since in the eyes of Thai consumers, the price of imported goods, in baht, had dropped. Thus, during the first half of 1981, Thailand's balance of trade deficit increased greatly as compared with the previous year.

2. The transfer of funds: During the second quarter of the year, interest rates abroad increased greatly. In some instances, they rose above the domestic interest rate ceiling for loans. Thus businessmen and bankers had no incentive to bring capital into the country. Just the opposite was true. They tried to pay off their foreign debts in order to reduce the interest burden. Thus, short-term capital flowed out of the country at an unusually high rate. At the same time, during the first 6 months of the year, the private sector brought in very little net capital, and the commercial banks reduced their foreign debt ceilings.

3. Exchange rate speculation: Because of the huge balance of trade deficit and because capital inflows were much smaller than usual, Thailand's balance of payments showed a great deficit during the first 6 months of 1981 even though this was, based on seasonal factors, the period

when there should have been a balance of trade surplus. Thus, the exchange rate maintenance fund had to sell large amounts of dollars to the commercial banks for an extended period. This led to speculation in exchange rates and resulted in less confidence in the value of the baht. The faster the foreign debts were repaid, the greater the demand for U.S. dollars from the exchange rate maintenance fund. This caused the government's international reserves to decline so rapidly that the situation became dangerous.

However, in the government, Mr Phaichit Uatwikun, the then deputy minister of finance, was attacked and criticized so severely by those who disagreed with or who had suffered losses as a result of the devaluation of the baht that he had to resign since he could not bear the pain. And the stability of the government was shaken. However, a summary of the results of the BOT's devaluation of the baht in 1981 shows that the 1981 devaluation of the baht resulted in U.S. dollar purchases by the exchange maintenance fund returning to normal. The commercial banks stopped accumulating foreign assets (for example, they stopped hoarding U.S. dollars). This can be seen from the fact that during the first 2 weeks of July, the banks increased their foreign assets from \$817.5 million at the end of June to \$984.6 million by the middle of July. During the same period, they reduced their debt from \$1,807.5 to \$1,770.6 million. That is, they reduced their debt by \$204.0 million in the 2 weeks prior to the devaluation of the baht. This was an important factor in reducing international reserves to an unacceptable level. But 2 weeks after the baht was devalued, the debt of the commercial banks rose \$52.3 million.

As for the forward dollar purchase premium rate, which is an indication of demand for foreign currency (for speculation), the rate shot up from 2.4 percent at the beginning of the year to 10.5 percent in June because of the people's and businessmen's lack of confidence in the stability of the baht. People foresaw that the baht would have to be devalued and so they tried to hoard as many dollars as possible. But after the devaluation of the baht, during the final 4 months the premium rate fell to only 1-3 percent.

The government's international reserves rose \$229.8 million from 15 July. The value of exports during the second half of the year rose 22.7 percent as compared with the same period the previous year. During the first 6 months of the year, the value of exports rose only 8.1 percent as compared with the same period the previous year. The rise in the value of imports during the second half of the year slowed, increasing only 9.8 percent from the previous year as compared with the 20.2 percent increase during the first half of the year.

During the first half of the year, the amount of capital brought in by the private sector as compared with that brought in during the same period the previous year declined 93.7 percent. This occurred because foreign interest rates were high, and businessmen lacked confidence in the value of the baht. But after the baht was devalued and the government

implemented several policies to stimulate foreign-fund inflows--such as by waiving the interest tax on short-term loans from abroad--during the second half of the year, net private-sector foreign-fund inflows doubled as compared with the same period the previous year.

All of this helped to reduce the balance of trade deficit during the second half of the year, reducing it 4,969 million baht as compared with the same period the previous year. (But the trade deficit for all of 1981 was still 66,025 million baht as compared with the 60,421 million baht deficit in 1980). And the balance of payments went from a deficit of 5,262 million during the first 6 months of the year to a surplus of 7,793 million baht during the second half of the year. Altogether, the balance of payments showed a surplus of 2,531 million baht for the entire year. And after the devaluation of the baht, the cost of living problem was no longer the serious problem that it had been. Besides the fact that this resulted from the implementation of these stricter domestic financial and monetary policies, the price of imported oil increased very little that year. In addition, the price of domestic agricultural products declined since yields were good. Thus, the rate of increase of the Consumer Price Index for each of the months during the second half of the year remained at a very low level, increasing an average of only 0.5 percent a month as compared with 1.4 percent a month during the first 6 months of the year. Concerning the yearly rates of increase, this amounted to 11.7 percent for the second half of the year as compared with 13.7 percent for the first half of the year. As for the rate of increase for average prices in 1981, the increase from the previous year was 12.7 percent. This can be compared to the 20 percent rate of increase the previous year. The cost of living problem became much less severe in 1981. Besides this, the devaluation of the baht and the implementation of other financial measures resulted in the financial situation, which had become rather serious during the first 6 months of the year, starting to improve during the last 6 months of the year. And domestic interest rates declined greatly from what they had been at the beginning of the year, especially by the fourth quarter of the year.

Vivid Memories

A BOT report points out that devaluing the baht and implementing the other financial measures made it possible to end the balance of trade and balance of payments crisis. This improved the country's financial stability, particularly concerning its international reserves, and the people again had confidence in the security of the baht.

As for the [negative] effects of the devaluation, at that time, Thailand had foreign debts amounting to approximately 7 billion, or approximately 140 billion baht. Of this, the public-sector debt amounted to \$3.4 billion, of which 65 percent was dollar-currency debt. As for the private sector, the commercial banks owed \$1 billion, of which 90 percent was dollar-currency debt. The other \$2.6 billion was other private-sector debts, of which 87 percent was dollar-currency debt. In short, Thailand's total

dollar-currency debts amounted to approximately \$5.4 billion. Thus, the combined 10-percent devaluation of the baht those two times had the effect of increasing the debt 12.42 billion baht.

The Petroleum Trust of Thailand (PTT) was seriously affected by the devaluation. If the government had not increased the retail price of oil, it would have had to increase its yearly financial support by more than 4 billion baht (which is why the government finally had to raise retail oil prices at the beginning of December 1981). As for private companies such as the Thai Cement Company Ltd, their foreign debts increased approximately 300 million baht. And they had to make preparations to deal with higher fuel oil prices.

For these reasons, the businesses that had foreign debts were directly affected in an adverse way by the devaluation. And people in general were indirectly affected by a rise in the cost of living.

Since the middle of 1983, several things have happened that are very similar to what happened in 1981 and so rumors that the government will again devalue the baht have appeared on four separate occasions. The latest rumors began appearing in December 1983 and have continued to the present time. This has resulted in business circles and banks (the images that arise from the 1981 devaluation are still fresh in their memory) losing confidence in the stability of the baht. This has occurred even though the government has stated on several occasions that the baht will definitely not be devalued since there are insufficient reasons to do so and the present situation, unlike that in 1981, does not warrant devaluing the baht. But the "baht shock" is still present among businessmen. The result is that the country's balance of trade and balance of payments problem has become very serious. In 1983 the balance of trade and balance of payments deficits reached record highs. (The trade deficit was approximately 80 billion baht as compared with the 36 billion baht deficit in 1982; the balance of payments deficit was approximately 17 billion baht as compared with the 3,314 million baht surplus in 1982.) Besides this, this has played an important part in bringing about a tight-money situation, and this has affected the country's international reserves and its financial stability.

The Shock Over the Value of the Baht; When the Private Sector Lacks Confidence In the State

One well-informed person observed that businessmen still believe that the baht will be devalued, with some people feeling that the government will announce a devaluation during the first half of the year or perhaps within the first 3 months, even though the government has denied this. This situation has resulted from the fact that private businesses do not believe what the government says. Because in the past the government has sometimes acted like the "shepherd boy." For example, even though the country has many problems, the government has not been able to solve them and so the people's confidence in the government has waned and

the government's security has declined. Thus, the government must do something to win back the confidence of the people. And so it must occasionally overstate things. For example, it must spread propaganda to the effect that the government has scored results in using Policy 66/1980 and solved the communist problem, or defeated the communists.

When natural gas and crude oil were discovered in the Gulf of Thailand, it said that Thailand's economy would now enter an era of "great brilliance." But shortly after that, various things occurred that clearly showed that the communists have not yet been defeated and that there is not enough natural gas or crude oil to give Thailand a "brilliant" economy as the government claimed.

During the crisis over the constitution in 1983, the government announced a "three nots" policy: it would not convene parliament, it would not revise the constitution and it would not dissolve parliament. But just a short time later, the government convened parliament and allowed the constitution to be revised. But when nothing was achieved, the government dissolved parliament and called for new elections. One politician observed that whenever the government says "no," everyone should make preparations for that since the government will soon do just what it said it would not do.

These actions have played an important part in making the people distrustful of the government. During his appearance on the television program "Frankly Speaking," the minister of finance admitted that the government cannot convince the people that it has no intention of devaluing the baht. Thus, the government has to rely on the facts. That is, during the first 3 months of this year, it is expected that the trade deficit will decline. This is confirmation that the country's financial situation is improving and that it will not be necessary to devalue the baht.

Politics Is Still In Turmoil and Can't Solve Anything

At present, people are still arguing about whether the government should devalue the baht in order to solve the balance of trade and balance of payments problems. Each side has reasons to support its position. Besides this, the government is also being pressured by certain groups to devalue the baht in the interests of those groups. Thus, the government must consider the matter carefully and thoroughly and do what is best for the country. But what must be pointed out is that the people's lack of confidence in the government poses a great danger to the stability and security of the country. Because when the majority of the people no longer trust or have confidence in the government, they will not cooperate with the government in solving the problems, and the government will not be able to solve the problems in an efficient way.

Thus, the government must quickly alter the political structure to make it more democratic. This must be done to increase the government's security, with the majority of the people serving as its base of support. But the question is whether the government of General Prem Tinsulanon wants and is ready to build a real democracy.

11943

CSO: 4207/75

THAILAND

EDITORIAL HAILS KRIANGSAK SRV TRIP

Bangkok BAN MUANG in Thai 9 Jan 84 p 4

[Editorial: "MP Visits Vietnam"]

[Text] Lieutenant General Chan Angsuchot, a Thai Nation MP from Kanchanaburi Province and the deputy chairman of the House Foreign Affairs Subcommittee, said that 23 members of the Foreign Affairs Subcommittee led by General Kriangsak Chamanan, an MP from Roi Et and the chairman of the Foreign Affairs Subcommittee, will, in accord with the invitation from the chairman of Vietnam's National Assembly, visit Vietnam on 18 January. The purpose of the trip is to observe the living conditions of the Vietnamese people and to observe things in the agricultural, communications and fishing sectors.

Lieutenant General Chan Angsuchot also said that while Thailand has diplomatic relations with Vietnam, since General Kriangsak Chamanan, an MP from Roi Et Province, is a former prime minister, his trip will undoubtedly lead to talk about the political problems. But the subcommittee pledges to carry out its duties as well as possible.

We are very pleased that MPs, regardless of their status, will visit Vietnam. Because the important thing is that Vietnam is a neighboring country with which we have long had relations. It is a neighboring country in an historical, political and scientific sense. Countries that have such a relationship must have knowledge about the living conditions of the people in the other country. In making this trip, it is hoped that Thailand will learn about living conditions in Vietnam. It is believed that it won't be too long before representatives from the Socialist Republic of Vietnam come to observe living conditions in Thailand.

We also think that in addition to having MPs pay visits to observe living conditions in the other country, the people's of the two countries should have a chance to visit each other. When that happens, relations will definitely improve.

11943

CSO: 4207/73

THAILAND

POLICEMAN ON PRK BORDER CAUGHT SELLING AK-47

Bangkok DAILY NEWS in Thai 18 Jan 84 p 20

[Article: "Policeman Caught Selling AK-47"]

[Text] At 0530 hours on 17 January, Police Lieutenant Colonel Banyat Chomwong, the chief inspector for Section 1, Railroad Precinct 1, (Naphawong), Police Manor Kritsada Waiwut, an inspector with Section 1, Railroad Precinct 1, and a group of officials disguised as passengers got on the train going to Aranyaprathet in Prachinburi Province since it had been learned that a gang of weapons traffickers had arranged to turn over weapons to buyers at the Aranyaprathet railroad station in Aranyaprathet District, Prachinburi Province.

When the train reached this station, Police Private Winai Phuangthong, age 26, who is stationed at the Khlong Nam Sai Police Station in Wattana Nakhon District, Prachinburi Province, and who was wearing civilian clothes and a military coat, climbed onto the train to turn over the weapons to the buyer. The policemen hidden there revealed their identities and arrested him. They found one AK-47, 59 rounds of ammunition, two ammunition clips and one Chinese shaft-type grenade hidden on him.

The railroad police placed Police Private Winai Phuangthong under arrest, confiscated the evidence and took him to the Suppression Division. He was turned over to Police Major General Bunchu Wangkanon, the commander of the Suppression Division, for interrogation in order to gather information on the weapons trafficking gang. But nothing was learned since the suspect refused to give any information. He claimed that the AK-47 was an old weapon and that he did not know if it was in usable condition. He had agreed to sell it for only 500 baht. He tried to shift the blame by saying that he had purchased the weapon from someone else at Khao Kiu in Prachinburi Province. He was held for further handling of the case.

11943

CSO: 4207/74

THAILAND

COLUMNISTS REACT TO RECENT THAI-LAO TALKS

THAI RAT Observer

Bangkok THAI RAT in Thai 14 Jan 84 p 2

[Window on the World column by "Observer": "The Mekong River, a River of Friendship"]

[Text] The meeting of the Thai-Lao Border Committee was held in an atmosphere of great warmth. This was the fifth meeting between representatives of the two countries. The Thai chairman was General Sitthi Chirarot, the minister of interior. The joint chairman was General Sisavat Keobounphan, the Lao minister of interior.

Why was it necessary to hold a border conference? Ever since Laos changed to a communist system in 1975, there have constantly been incidents along the Mekong River. This is a natural boundary that is 1,750 kilometers long.

These incidents have occurred mainly because of a misunderstanding between brothers. Because actually, no other countries have such deep historical, cultural, linguistic and racial relations as Thailand and Laos. But sometimes, [the two countries] have become estranged because of different economic and political ideologies and because of outside interference.

But both sides know that it is essential to maintain good relations with each other for the social, economic and political benefit of both countries. The Mekong river is not a barrier to friendship.

The [Thai] minister of interior said clearly: "Please don't dirty the water."

This year's border conference showed several promising signs. During the past year, there was not a single incident. Laos showed friendly intentions by releasing five Thais 1 day before the conference. It promised to take back another 400 Lao refugees who had fled to Thailand. And it was agreed that direct talks will be held if there are any incidents so that the Mekong River becomes a river of peace and a river of Thai-Lao friendship.

DAO SIAM's Chan Chankhran

Bangkok DAO SIAM in Thai 14 Jan 84 p 2

[Small World column by Chan Chankhran: "Laos and Thailand"]

[Text] Since we are neighbors, it was very good to hear that Thailand and Laos will hold a conference in order to try to improve relations between the two countries. Actually, Thailand and Laos are close neighbors that have been like brothers for generations.

It is only certain ideological and political changes that have caused Thailand and Laos to use the Mekong River as a buffer to prevent people from visiting each other. This has occurred even though the Mekong River was once compared to a river of trust between the Thai and Lao peoples. But that is in the past. Thai and Lao officials are now trying to correct things in order to again turn the Mekong River into a river of love as it once was. But what are the chances of this? It all depends on the negotiations between the Thai and Lao officials. That is, are we negotiating with representatives of Laos or with representatives of Vietnam in Laos?

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CSO: 4207/74

THAILAND

SELF-DEFENSE, DEVELOPMENT VILLAGE CONCEPT, OPERATIONS OUTLINED

Bangkok SENASAN in Thai Nov 83 pp 11, 12

[Article: "Volunteers For Development and Self-Defense Villages"]

[Text] Volunteers for Development and Self-Defense Villages In the Cities

Establishing Volunteers for Development and Self-Defense Villages [VDS DV] in urban zones is another measure for maintaining internal order. This is a two-way program for developing and maintaining order to bring about security--the two ways being from the rural border areas to the populated areas in urban zones throughout the country and from the populated urban zones in the country to the rural border areas. This must be with the joint cooperation of the people and the government, civilian, military and police sectors. The private sector must also support the activities of VDS DV in the urban zones with the aim being to make use of the resources of the communities and private organizations in the urban areas. Both central and regional officials will provide support in order to carry out the following six important tasks in developing villages in urban zones:

1. Maintaining safety in the cities; 2. maintaining cleanliness; 3. community services; 4. public utilities work; 5. youth activities; and 6. financial activities.

The administration of the work of the VDS DV in the urban zones will be carried out by the central committee, which will be responsible for village administration and for monitoring the activities of the following committees:

1. The Development Committee: This committee is responsible for developing the occupations of the people and helping the villagers to make renovations, improve public assets, develop occupations and carry on things in accord with the various programs.
2. The Administrative Committee: This committee is responsible for relieving the suffering and looking after the well-being of the people; monitoring village activities to see to it that they are carried on in accord with the laws, customs, traditions and general policies of the nation; making

recommendations and encouraging the people in the village to take an interest in democratic administration with the king at the head and in local administration; and building public solidarity.

3. The Committee to Maintain Order: This committee is responsible for forming units to provide protection and maintain order in the village and for forming disaster relief units.

4. The Finance Committee: This committee is responsible for village finances.

5. The Public Health Committee: This committee is responsible for providing medical treatment, carrying on health, family planning and sanitation activities, looking after the village environment and preventing dangers that could arise from environmental conditions in the village.

6. The Education and Culture Committee: This committee is responsible for education, scout and youth activities and for religious, cultural, sports and recreational activities.

7. The Public Welfare and Society Committee; This committee is responsible for looking after the welfare of the people and giving assistance to poor people who are not able to help themselves, to people who are experiencing difficulties and have no one to rely on and to those hit by some disaster. This committee must also serve as the eyes and ears of the officials when they receive information and cooperate with government officials and the private sector.

These committees will be given training so that they can administer things in the villages and implement the various projects. The people will be allowed to play as great a role as possible in setting courses of action and in discussing the problems in carrying out the various projects that the committees have recommended for inclusion in the district and provincial development plans. The government sectors concerned, including the Ministry of Interior, the Ministry of Agriculture and Cooperatives the Ministry of Education, the Ministry of Public Health, the Ministry of Industry and the Ministry of Commerce, will provide support on the personnel, technical and financial fronts. The ministries mentioned above will include these projects in their work plans. The projects will also be included in future national economic and social development plans.

11943

CSO: 4207/75

THAILAND

EDITORIAL VIEWS KRIANGSAK SRV TRIP

Bangkok SIAM RAT in Thai 19 Jan 84 p 3

[Editorial: "General Kriangsak Goes to Vietnam"]

[Text] There are reports that General Kriangsak Chamanan and his group left to visit Vietnam on 18 January. General Kriangsak is a former prime minister, he is an MP and the leader of the National Democracy Party, which is part of the present government, and he is the chairman of the House Foreign Affairs Subcommittee.

We feel that his trips abroad--particularly the present trip to Vietnam--are of great importance.

But because few people know the real purpose of this trip by this former prime minister, few people are interested in this. But from our point of view, since the government, through the Ministry of Foreign Affairs, has not entrusted some government official with this task, the trips abroad made by the former prime minister are really like personal visits or a tourist trip.

However, since General Kriangsak holds several important positions, we would like to present our views on his unofficial trip to Vietnam.

At present, Thailand and Vietnam still have political problems. The Thai government, particularly the Ministry of Foreign Affairs, is making a great effort to solve the problems through diplomatic negotiations at the government level. The government considers this to be an international policy, particularly on what should and should not be done. Thus, we feel that only the government has a deep knowledge of this policy. Those outside the government probably have little or no knowledge of this policy.

Thus, concerning this unofficial trip to Vietnam by the former prime minister, we hope that General Kriangsak doesn't say or do anything except act like a tourist.

We know that a former prime minister who currently holds important political positions in Thailand will be given a fitting reception. He may be welcomed with a grand banquet, and he may even do a Thai traditional dance for them, at which the former prime minister is very skilled. We would not object to this and would approve of this since that is the sort of thing that tourists do when visiting other countries.

Concerning this visit to a country that has political problems with Thailand by a group of high-ranking politicians, we hope that they "mind their manners" and are careful about what they say. Otherwise, this might lead to a misunderstanding about the government's policy. This is why we have made these suggestions to this prestigious group making the trip. We have made these suggestions with good intentions and good hopes. We hope that our warning is of some benefit.

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CSO: 4207/73

THAILAND

MINISTRY OFFICIAL: JAPANESE INTERESTED IN TURBINE INVENTION

Bangkok THAI RAT in Thai 24 Dec 83 pp 1, 16

[Article: "Thailand Has Produced a Generator But Will Not Sell It Since It Is Feared That Japan Will Copy It"]

[Text] Japan is interested in the small water turbine and generator produced by Thailand. It has placed orders, but Thailand has so far refused to sell the equipment since it is seeking measures to prevent others from copying the invention. Thus, it has not agreed on the details [of the sale]. Besides this, there is also a hydroelectric project. At present, things have been completed in six places. The Rural Area Job Creation Program should implement this program in other villages in order to help the farmers.

Mr Sanga Sapsi, the undersecretary of the Ministry of Science, Technology and Energy, talked with reporters on 23 December. He said that at present, Japan is interested in purchasing small water turbines and generators from Thailand. These two types of machines were invented by officials of the Ministry of Science for use in the Hill Tribes Development Program, which is a program that was initiated by the king. Concerning these machines, Japan first contacted us about them in March 1983. This is because we can produce them more cheaply than other countries. The raw materials, equipment and skills used to produce the machines belong entirely to Thai engineers. These machines are highly efficient. But because Thailand has agreed to disseminate technological advances to the other ASEAN countries first and because we are still seeking ways to prevent buyers from copying the design, we have not responded in detail to Japan's request to purchase these machines.

Mr Sanga said that the invention of these two types of machines has made us very proud of the capabilities of Thai people. And besides these two inventions, we also have a hydroelectric project. Everything at the hydroelectric projects was produced in Thailand and this has made it possible to reduce the balance of payments deficit. Concerning the hydroelectric project, Mr Sanga also said that this is a very beneficial project. According to a cabinet resolution and according to the Fifth Economic Development Plan, the Ministry of Science has been made responsible

for this small-scale hydroelectric project, which has a capacity of up to 6,000 kilowatts.

The undersecretary of the Ministry of Science also said that according to the Economic Development Plan, the ministry will try to build 25 hydroelectric plants throughout the country. Because besides benefiting the people by providing them with electricity, this project will benefit industry and agriculture. The electricity that is generated can be used to dry agricultural produce such as "kek huai" flowers and tea leaves and to build cold-storage rooms to keep seed, fresh vegetables and fruit, mushrooms and tomatoes before they are taken to the markets. This will increase the incomes of the farmers. This hydroelectric project involves 12 separate projects. At present, six of the projects have been completed. When a power plant has been built, it will be turned over to the village and administered collectively. And when profits are made from the hydroelectric plant, the money will be distributed to the people in the village.

In conclusion, Mr Sanga said that because royal projects, and particularly this hydroelectric project, are projects that the people help build without us having to pay them for their labor, with equipment and tools being the only things provided, he would like to recommend that the Rural Area Job Creation Program consider implementing this hydroelectric project in many other villages. Because when water is available, a place that used to plant only one crop may well be able to plant two crops. This will increase agricultural yields and be tantamount to creating more jobs in the rural areas. This will promote justice in society and bring electricity to villagers living in remote areas.

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THAILAND

COLUMNIST VIEWS USSR BASES IN SRV, PACIFIC FLEET

Bangkok DAILY NEWS in Thai 20 Dec 83 p 3

[Around the World column by "Commander": "The White Bear Is Roaming Too Far Afield"]

[Text] Whether by chance or otherwise, last week, two important people, one of whom has national defense responsibilities in Thailand while the other is the commander of the U.S. Pacific command, spoke about the same matter and said similar things.

The first person is Mr Prasong Sunsiri, the secretary-general of the National Security Council, or NSC. The second is Admiral William J Crowe, the commander of all U.S. forces in the Pacific, whose headquarters is located in Hawaii.

Both of these men spoke about the expansion of the USSR's naval forces in this region. What they had to say was very interesting. In particular, they said that the use of the naval base at Cam Ranh Bay in Vietnam is increasing at a rate worth keeping an eye on. This will enable the "white bear" to cause even more trouble in these waters. The naval base at Cam Ranh Bay has been improved to the point where large numbers of warships can be docked there.

The Soviet Union presently has at least 25 warships that are using the Cam Ranh base. In addition, the aircraft carrier Minsk, which entered the Gulf of Thailand about 2 years ago, is sailing about this area, too. The Soviet Union's newest landing craft, the Ivan Rokoff, is also in this area. It is said that if the Soviet Union wanted to move troops ashore, it could now do so.

And that is not all. More TU-16 fighter-bombers have been stationed at bases in Vietnam. Even though the Soviet Union's main activity in this region continues to be intelligence gathering, it is stepping up such activities at an alarming rate. People who are interested in the subject of Soviet military forces and who would like more details can read the book "Exposing the Soviet's Claws." I won't go into the matter any further here.

But I would like to make an observation about this. From what I have seen, even though people are now talking about the expansion of Soviet military forces, particularly naval forces, in the Pacific region and saying that this is the largest of the Soviet Union's four naval fleets, Soviet warships are really quite out-dated when compared with those of the United States, even if the Soviet Union does have more ships.

A military expert once told me that the most terrifying thing is not the Soviet warships but the military base at Cam Ranh Bay in Vietnam. This base allows the Soviet Union to expand its zone of operations since this allows them to coordinate things with their two northern naval bases at Vladivostok and Petropavlovsk. The latter is the home port of the nuclear-armed submarine fleet and is near Sakhalin Island where the South Korean jetliner was shot down.

A knowledgeable person said that even though a big issue has been made of the Soviet military forces, the weak spot of the Soviets is defense since [the forces] here are far away from the command center in Moscow and they have only one logistics route, that is, the Trans-Siberian railroad line. If they need to transport something quickly, they have to use aircraft.

Thus, people say that if the United States tries to intimidate the Soviet Union by weakening the important naval bases in the northern Pacific in order to get the Soviet Union to curtail its combat operations in other regions, this might well lead to a third world war. And this would be a nuclear war in which both sides would be annihilated. Just thinking about this is frightening.

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LESE MAJESTE OFFENDER ABUSED IN PRISON

Bangkok DAILY NEWS in Thai 18 Jan 84 pp 1, 20

[Article: "Anan Likes to Speak Out in Prison, Which Gets Him In Trouble"]

[Text] Prison chief says that Anan Senakhan likes to cause trouble and so he has been abused at the Lat Yao Prison. He likes to express opinions about everything. And the fact that he committed lese majeste has resulted in the other prisoners, 99 percent of whom are right-wing people, abusing him. But disciplinary measures and legal action will be taken against anyone who commits an act of violence. At a minimum, they will be put in solitary confinement. It has been revealed that the Penitentiary Department would like to give long sentences to serious offenders, but it has to release them sooner than it would like because of the lack of space.

Mr Thawi Chusap, the director-general of the Penitentiary Department, was interviewed by reporters at the Ministry of Interior on the afternoon of 17 January concerning the matter of Police Major Anan Senakhan being abused by other inmates at the Lat Yao Prison. The director-general of the Penitentiary Department said that this has happened because they don't like each other. And Police Major Anan Has made many enemies at the prison since he expresses opinions about everything. And the fact that he committed lese majeste is an important reason why people do not like him. About 99 percent of the other inmates are right-wing people. However, those who abuse Police Major Anan will be disciplined and have criminal charges filed against them. They will certainly be put in solitary confinement. The director-general of the Penitentiary Department said that it is very common for inmates to abuse each other in prison. Whenever a troublemaker is placed among the others, something almost always happens. A reporter asked what could be done to prevent such things from happening. Mr Thawi replied that those who like to talk too much will always be abused. There is no way to prevent this. The best thing is for a person to act in a quiet and reserved way and then nothing will happen.

A reporter asked his views on the statement made by General Sitthi Chirarot, the minister of interior, that morning when he said that some prisoners who have been sentenced to life in prison will be released in 7 years

since sentences are gradually being reduced. The director-general of the Penitentiary Department said that he favors long prison terms. But every year when he requests funds to build additional prisons, the request is denied. And so sentences have to be reduced. This concerns the Penitentiary system. Besides this, the king occasionally grants pardons to people, which occurs in other countries, too.

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THAILAND

BLACK MARKETEERS SHOT, GOODS SEIZED ON PRK BORDER

Bangkok BAN MUANG in Thai 23 Dec 83 pp 1, 2

[Article: "Border Smugglers Clash With Soldiers; Two Killed"]

[Text] A reporter reported that at 0130 hours on 22 December, military officials were patrolling the Thai-Kampuchean border near Ban Ba Rai in Ba Rai Commune, Aranyaprathet District, Prachinburi Province, in order to prevent the enemy from crossing into Thai territory. They were patrolling about 700 meters inside Thailand when they encountered about 20 Thai black marketeers who were smuggling various consumer goods to sell them in Kampuchea. These officials intercepted them. But when they went to place them under arrest, other forces hidden there fired on them. Our officials returned the fire. After the firing stopped, the officials went to clear the area and found the bodies of two Thai men. It was assumed that they were black marketeers who had been trying to smuggle goods into Kampuchea and who had been killed in the clash. Besides this, the officials arrested three other border smugglers and seized 27 cases of goods. The suspects were placed under arrest and turned over to military police to let them handle the case according to martial law before turning them over to police officials.

The news report also said that the two border smugglers who were killed were identified as Mr Suwit Rawangrok, age 17, and Mr Daeng Homa, age 17. Both were from Aranyaprathet. The three suspects arrested by the officials were identified as Mr Rien Ngansap, age 39, who lives in Wattana Nakhon District, Prachinburi Province, Mr Phaithun Chonburi, age 20, who lives in Aranyaprathet District, and Mr Amnuai Khambun, age 23, who lives in Aranyaprathet District.

It was also reported that at 1800 hours the same day, ministry officials took the three suspects and the evidence, which included facial cream, filter-tipped cigarettes and sugar worth a total approximately 200,000 baht, and turned them over to the provincial police station in Aranyaprathet District for further handling of the case. The report also stated that this caravan that was smuggling goods along the border belonged to an influential group of smugglers, and it had an armed escort.

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COLUMNIST CHIDES U.S. ON UNESCO WITHDRAWAL

Bangkok THAI RAT in Thai 30 Dec 83 p 2

[Window on the World column by Plat Lut: "The United States and UNESCO"]

[Text] The United Nations Educational, Scientific and Cultural Organization, or UNESCO as it is called, is an organization that has greatly helped the countries and people in the third world. It is part of the United Nations and is an indication of the mutual aid given by members of the United Nations on the educational, scientific and cultural exchange fronts.

At the same time, many other U.N. units are grossly inefficient. For example, the Security Council rarely succeeds in passing a motion if the proposal goes against the interests of the permanent members. Both the United States and the Soviet Union have made great use of their right to veto resolutions. But even though the Security Council is inefficient, the delegates have remained on the job; none of the countries wants to give up its rights by resigning its permanent seat on the council.

As for UNESCO, the United States, which has taken a bellicose attitude, wants to resign from UNESCO. It claims that remaining in the organization does not benefit the United States in any way and that it is a drain on U.S. resources since the United States gives UNESCO more than 1 billion baht a year, which is approximately one-fourth of UNESCO's annual budget.

Seven months after the formation of a committee to study and analyze the advantages and disadvantages of the United States remaining in UNESCO, the committee found that the United States was suffering great losses. [It recommended] that the United States withdraw from UNESCO before it suffered any more losses.

President Reagan agreed and gave permission for the United States to withdraw. While the first draft is being written, the U.S. cabinet is considering the matter carefully. The results are not yet known. But the people of the world know that "great powers" like the United States are the most selfish. When they start to lose influence and don't get what they want, they will ask for something else, become "fussy" and walk away.

THAILAND

INDIA OFFERS FISHING AGREEMENT

Bangkok SIAM RAT in Thai 13 Jan 84 pp 1, 12

[Article: "India Offers Fishing Agreement; Will Give 85 Percent of the Profits"]

[Text] India has asked Thailand to participate in joint fishing activities in accord with a new government regulation. It will give 85 percent of the profits to the participating country. Fishermen are expected to take a great interest in this.

A high-level news source from the Ministry of Agriculture and Cooperatives informed SIAM RAT that the J.N. Mukkerji Phraiwet Company of India recently sent a letter to Mr Wanit Warikun, the director-general of the Fishing Department, inviting Thailand to conduct joint fishing activities with India, with 85 percent of the profits going to Thailand and 15 percent going to India. Thailand would put up all the investment capital, paying for the fishing boats, crewmen, gasoline and fishing equipment and paying all the other expenses. This regulation was promulgated by the Indian government just recently. It stipulates that joint fishing activities are to be conducted for a 3-5 year period.

Besides this, other Indian fishing companies have invited Thailand to establish a company jointly with domestic companies, with the foreign company holding 40 percent of the shares while the Indian companies hold 60 percent.

The news source said that Thailand participated in joint fishing activities with India once before, that is, in 1978-1979. But this was not a successful venture for Thailand since various things were not tight enough and the fish had to be taken and sold in Thailand, which resulted in expenses being very high. But according to the new regulation, the fish will be taken to Calcutta in India.

The news source also said that concerning this, the Fishing Department has sent letters to the various provincial fishing organizations so that those fishermen who are interested can express their views to the Fishing Department, or they can talk to the provincial fishing organization. It is expected that many people will be interested in such joint fishing

activities in India. However, the details of this have not yet been stipulated. This should be of great benefit to Thailand in preserving its marine-life resources.

In conclusion, the news source said that at present, besides India inviting Thailand to participate in joint fishing activities, other countries such as Pakistan are interested in fishing activities, too. These countries have asked to rent six Thai fishing boats. Those interested may contact the Fishing Department or their provincial fishing organization.

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